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Moda'i says gov't weak on economy

By AVI TEMKIN
Post Economic Reporter

The economic performance of the national unity government is no better than that of the previous government, Finance Minister Yitzhak Moda'i said yesterday.

But Moda'i, who was speaking in the morning at the annual seminar of the Treasury's budget department, said that nevertheless he would not resign. Now that I've become finance minister, he declared, I'm in no rush to leave.

In a radio interview earlier yesterday morning, Moda'i said he had given up hope of raising the prices of basic foodstuffs because of the opposition of the Histadrut.

At the budget department seminar Moda'i took to task those who had accused him of starting a spending spree with his declarations about coming increases in the prices of basic commodities and the possibility that the government will extend

the period for redeeming the bank shares. "If the Finance Minister is not allowed to talk about such issues, then what should he talk about?" Moda'i asked.

Moda'i said that when the government was formed it was known that it would not agree on defence or foreign affairs issues. But there were hopes that it would come to grips with the economy.

Everybody knows that unless the budget is slashed the economy will break down within months, he said. "The cabinet holds meetings and agrees on cuts and a timetable for them. But when the time comes to implement them, every minister refuses to axe his own ministry's budget," he added.

The President of the Manufacturers Association Eli Hurwitz told the Knesset Finance Committee yesterday that he would support a cut in subsidies for basic commodities only (Continued on Page 2, Col. 7)



President Chaim Herzog lights the first candle of Hanukkah at Beit Hanassi in Jerusalem yesterday from a torch relayed from Modi'in by Maccabi runners. (Story—Page 3) (Dan Landau)

NEWS BACKGROUND/David Landau

Shas-NRP imbroglio boils down to budgets

What's it all about? That's what many people are asking about the esoteric and seemingly trivial wrangle between two small religious parties that nevertheless threatens to topple the unity coalition.

The "macro" level — the battle between the two big blocs for the loyalties of the religious parties — has been explored in these columns. But what is going on at the "micro" level — the squabble between Shas and the NRP over religious councils which both Labour and Likud insist is "minor" and "residual" yet cannot resolve?

It all boils down to budgets and preferences — the stuff of political influence. The religious councils, which exist alongside the local authorities throughout the country and purvey religious services to the citizen, are a traditional — indeed natural — arena within which religious parties may wield influence, and seek its accretion. In the past this has mainly meant the NRP, which conveniently — and not coincidentally — "held" the two government ministries which disbursed much of the budgets and an important part of the preferences to the religious councils.

These budgets broke down as follows: ● Religious councils' operating budgets: The shortfall between income (from kashrut supervision,

ritual slaughter, marriages, etc.) and expenditure is covered by the local authorities (two-thirds) and the Ministry of Religious Affairs (one-third). As in other major local authority expenditures, this participation in the religious councils' budgets requires the approval of the Interior Ministry.

● Religious councils' "special budgets for buildings": These are often larger than the regular operating budgets. They go mainly towards the building of synagogues and mikvaot (ritual baths). They are paid, through the local authorities, in accordance with the decisions of an inter-ministerial committee comprising officials of the Interior and Religious Affairs Ministries.

Hitherto, with the NRP running both these ministries, the Interior Ministry officials generally set the tone at the inter-ministerial committee.

● Religious council membership: One-third of council members are nominated by the local authorities, one-third by large synagogues in the particular area, and one-third — the important third in the context of the present crisis — by the Ministry of Religious Affairs.

Thus Premier Shimon Peres's assertion on television last night that religious councils are "the only mat-

Sharon in New York: Must stand by Shas Peres has till tomorrow to solve coalition crisis

By MICHAEL YUDELMAN
Jerusalem Post Reporter

Prime Minister Shimon Peres will today make a last ditch effort to settle the coalition crisis brought about by Shas's resignation in order to avert a possible Likud decision to follow Shas out of the government at the Likud ministers' meeting tomorrow morning.

Vice-Premier Yitzhak Shamir and Deputy Prime Minister David Levy are particularly eager to settle the crisis before tomorrow, for fear that Industry and Trade Minister Ariel Sharon, due to return for tomorrow's meeting, will solve the problem — and claim the credit — if they don't.

Shamir, who briefed Sharon on the situation here by phone, urged him to return from New York immediately to attend tomorrow's meeting of Likud ministers. Minister without Portfolio Moshe Arens, who is also abroad, is due to return tomorrow as well. Sharon's libel suit against Time magazine is due to adjourn for the Christmas vacation.

Sharon's stand, as Shas's patron and the one who wooed them into partnership with the Likud, is crucial. Many believe that if Sharon calls for resigning from the government, the Likud would be more likely to do so. However, if Sharon presses for a compromise solution, this will temper the Likud's extreme position.

In New York yesterday, Sharon said that the Likud should stand by its commitment to Shas, even if that leads to the breakup of the national unity government.

Speaking to reporters during a recess in his trial against Time magazine, Sharon said he had been in contact with Shamir by telephone on the coalition crisis.

"I believe we must fulfill all of our obligations to the last point — even if it leads to the dissolution of the national unity government," he commented. "The Labour Party knew of the commitments we made. Therefore, if the government collapses, the responsibility for its fall will rest with Labour." But, he added, he believed that a way would be found to preserve the government.

Levy, who tried to solve the crisis in Shamir's absence, joined forces with him since his return earlier this week in an attempt to end the crisis before Sharon was recalled.

Speaking on Israel Television's Mabar newscast last night, Peres expressed confidence that the Shas crisis was a "passing phase." He was confident that the problem could be solved and agreed with Shamir that everything should be done to achieve a solution.

Peres said he was sure that most Alignment and Likud voters would not forgive either party if they allowed the national unity government to fall on the Shas issue. He noted that the government was currently negotiating a withdrawal from Lebanon, and was discussing vital economic aid issues with the U.S. administration.

"We should not start playing political games at a time like this," he said.

Peres met Shamir privately yesterday evening and assured him that he would do everything he could to find an agreement on the division of the Interior and Religious Affairs Ministries between Shas and the National Religious Party.

Shamir told Peres that it was too late to start negotiating over the portfolios all over again, and pressed for the arrangement proposed by the Likud yesterday morning, even

without the NRP and Shas's agreement.

According to this arrangement, the NRP would be allowed to choose whichever ministry it wants. If it picks the Interior Ministry, which Yosef Burg dearly wants, Shas will get Religious Affairs, which it wanted all along. If, however, the NRP chooses Religious Affairs, the Interior Ministry will still control two-thirds of the religious councils' budgets.

This arrangement was proposed by Shamir and Peres to the NRP yesterday morning, and Burg accepted it. But NRP strongman Rafael Ben-Natan, who then walked into the room, rejected it outright. Shas was not even asked about it, due to the NRP's rejection.

Shamir toned down his extreme statements concerning the "grave danger" to the coalition yesterday, and the threat of a Likud walkout was deferred to tomorrow.

While Likud ministers continued to speak on the severity of the situation and blame the Labour Party, Labour Party ministers tried to minimize the issue.

During the day, probes were made on behalf of the two large parties to find out which of the small parties would stand by them, if the coalition did break up and the possibility of a narrow government emerged.

Agudat Yisrael MK Avraham Shapira yesterday met both Labour and Likud ministers, who asked him whether his party would join them if the coalition broke up. Shapira said the coalition agreement between Agudat Yisrael and the Likud did not call for Agudat Yisrael's resignation if the Likud walks out of the coalition. "But we have someone above us who tells us what to do, I don't have to make that decision," (Continued on Page 2, Col. 1)

Tunik assures MKs on share report

Post Knesset Correspondent

State Comptroller Yitzhak Tunik said yesterday that he would complete his report on the banks shares crash by the end of this month and would submit it to the Knesset State Control Committee in the usual way.

Tunik sharply denied allegations by two Labour MKs, Eliahu Speiser and Haim Ramon, that he was being pressured to prevent a committee

discussion on his report.

Tunik said that in accordance with regular procedure he was giving the bodies cited in the final draft of his report an opportunity to add comments to an appendix.

State Control Committee chairman David Liba'i also confirmed that his committee's statutory right to receive and discuss Tunik's reports would be upheld in full.

IDF holds 21 Shi'ites in S. Lebanon

By MENAHEM HOROWITZ
Jerusalem Post Reporter

METULLA. — The Israel Defence Forces yesterday arrested 21 villagers from the Shi'ite villages of Sarafand and Ein Hilwe in South Lebanon, including members of Amal, the Shi'ite militia. Military sources said that this operation is the continuation of IDF policy to detain those engaged in hostile activity against Israeli forces.

During the operation, IDF soldiers encountered resistance from villagers including women and children.

Meanwhile two French Unifil soldiers were wounded yesterday morning when a UN convoy on its way from Beirut to Nekoura came under light arms fire near Damour. The convoy returned to Beirut and the soldiers were hospitalized. The identity of the attackers is not known. This was the second time in the past two weeks that a south-bound UN convoy was fired on.

Also yesterday morning, an SLA position in the village of Killa just north of the Metulla border fence came under light arms fire. No one was hurt.

Thatcher in China to sign Hongkong handover accord

PEKING (AP). — Two years after she visited Peking in hopes of retaining British control over Hongkong, Prime Minister Margaret Thatcher returned last night to sign an agreement that will surrender the capitalist colony to Communist China in 1997.

Thatcher's Royal Air Force DC-10 arrived at Peking airport to a welcome by a high-ranking committee led by Foreign Minister Wu Xueqian, who helped negotiate the pact she will sign today.

The official news agency Xinhua said a "warm, friendly and ceremonial" reception was planned for Thatcher, a contrast to the tensions of her September, 1982 visit, which inaugurated two years of tough negotiations on Hongkong's future.

Under the agreement, China guarantees the capitalist economy and basic freedoms of Hongkong for 50 years after recovering control of the bustling financial centre on July 1, 1997.

Jerusalem police neutralize bomb

Jerusalem Post Reporter

A small, homemade bomb, placed under a bus stop bench across the street from National Police Headquarters in Jerusalem, was neutralized yesterday by police sappers.

The bomb was discovered shortly before noon by a passer-by, who

contacted police. The sappers used their remote control robot to neutralize the device, which police sources said was "small."

Jerusalem police chief Haim Elbalades called on the public to be alert and to report all suspicious objects.

Liberals sticking with Herut—in public

By MICHAEL YUDELMAN
Jerusalem Post Reporter

The Liberals yesterday presented a united front and outwardly refused to entertain the possibility that they might stay in the coalition if Herut decides to bolt.

But some Liberal sources admitted that the party, while not wanting to be seen changing political sides, was in a quandary over the Shas crisis.

The attitude of Finance Minister Yitzhak Moda'i is seen as crucial and yesterday Moda'i, while criticizing the government, indicated that he had no intention of resigning.

"The Likud is one piece, therefore the question whether the Liberals —

or some of them — will resign with Herut or not does not exist," Liberal MK Pinhas Goldstein, who is close to Moda'i, said.

"The issue at stake is Prime Minister Shimon Peres's leadership. Peres must understand the importance of credibility in politics and not give those who want to break the government up a chance," Goldstein said.

Goldstein said he did not believe the situation would lead to the Likud's resignation from the coalition and said he was sure a solution would be found to avert the crisis.

Asked about possible dissension within the Liberals, or between the Liberals and Herut about resigning

from the coalition, Liberal coalition head Sara Doron was emphatic: "We are the Likud. The decision will be a joint one and we are partners to it."

Doron said she did not think Peres wanted the coalition to break up, knowing that one party would not be able to deal with the economic situation alone.

Liberal sources told The Jerusalem Post yesterday that despite the united front presented outwardly, Moda'i was not about to give up his seat as finance minister and Tourism Minister Avraham Shari' had no intention of giving up his position either.

Sharon foresees a fight to the finish

By WALTER RUBY
Jerusalem Post Correspondent

NEW YORK. — Despite intensive criticism of his long absence from his duties from many in Israel, Ariel Sharon is determined to remain in New York for the entire length of his libel trial against Time magazine.

In an interview with The Jerusalem Post, Sharon said he expects to be back here in January after a Christmas adjournment if, as expected, the trial extends into the new year.

He remarked, "I have always gone to the front, and this trial is a very important front for Israel and the Jewish people. I can only feel pity for those who are taking advantage of me in the middle of an important political struggle in order to gain a narrow political advantage."

Sharon also sought to deflect criticism in Israel of the estimated \$40,000 in expenses that he and his retinue have so far charged to the government. He noted that Minister of Justice Moshe Nissim had ruled that he was entitled to have the government pay his non-trial expenses, and said that, in any case, "the people of Israel will not pay so much as one cent of my legal costs."

Sharon was in a confident and ebullient mood during the interview in his suite in a luxury Manhattan hotel, where the total cost for the Sharon entourage is said to be \$700 a day. Lili Sharon had been quoted in Maariv as saying she sometimes cooks over a hot plate in the room in an effort to hold down costs. The room does contain a tiny kitchenette with a hot plate on which she made coffee during the interview.

Explaining his decision to stay in New York through the end of the trial, Sharon stated, "When I first came to New York the trial was expected to last for only four weeks, but as things turned out it is taking much longer than we expected."

"It is true that we have good lawyers. But this trial is a struggle, a

Sharon trial — page 2

battle, and I must conduct the battle."

Asked if he does not have a responsibility to function fully as Minister of Industry and Trade, Sharon said sharply: "The fact is that there has not been a minister of interior now for more than three months. Is anyone up in arms about that? There have been periods when Israel went without a minister of agriculture or minister of education for many more than three months. Were people so concerned then? So let us not give in to hypocrisy."

Noting that, "of course, I could have done more in my ministry if I were in Israel," Sharon pointed out "I am trying to do as much as I can. I am in touch with my ministry two times a day, six days a week from 1:00 a.m. to 2:30 a.m., and again from 7:00 a.m. to 8:30 a.m. I travelled to Los Angeles several weeks ago to negotiate with (Armand) Hammer of Occidental Petroleum about investment in Israel, and have met here with leaders of big American corporations who have been participating in discussions on the 'Free Trade Area'."

Sharon claimed that, "there has already been a clear achievement from this trial for Israel in the field of public relations." Noting that he has given interviews on the editorial boards of the Los Angeles Times, Washington Post, New York Times, and Wall Street Journal, Sharon said, "Israel has not had in many years so much coverage and publicity as it is getting through this trial, and that is a great accomplishment for Israel."

On the subject of his expenses, Sharon stressed, "I did not ask the government to pay for it, but the Minister of Justice told me I was entitled to it... All of the expenses that are not related to my official capacity as a minister in the government will be covered by me and not the State of Israel."

House Committee votes to lift Kahane's 'privileged freedom'

By ARYEH RUBINSTEIN
Post Knesset Reporter

The Knesset House Committee yesterday voted to recommend that the Knesset deprive MK Meir Kahane (Kach) of his privileged freedom of movement granted by the Knesset Members Immunity Law.

If passed by the Knesset, this effectively places Kahane in the category of an ordinary citizen and the police will be able to restrict his movements if they see fit. When Kahane planned to go to Umm al-Fahm in September, the police at first decided to ban his followers from entering the Arab town, but to permit him (as an MK) to go in. He was only turned back when a serious breach of the peace was imminent. In future, the police will be able to decide to ban him from anywhere, where they think his presence will cause a public disturbance.

Voting in favour were the Alignment, Mapam, the Communists, Shinui, and the Citizens Rights Movement. Opposed were the Likud, Tehiya, and the National Religious Party.

It was the change in the Alignment's stand that turned the tide. Opinion in the Alignment has been divided on Edna Solodar's motion to revoke Kahane's freedom of movement, and last week the faction decided to stall.

Unfavourable press comment on the failure of the House Committee to act after discussing the matter week after week apparently played a major part in the Alignment's decision on Monday to support Solodar's motion.

The committee has yet to vote on other resolutions submitted, notably one by Michael Eitan (Herut) to amend the Immunity Law so that it

will not protect an MK who violates existing laws that make it a crime to encourage terrorism and to incite one sector of the population against another.

The Knesset could vote on the committee's recommendation as early as next Monday. The Immunity Law requires only that the members be given at least 24 hours' notice, and that the MK involved be given an opportunity to speak his piece.

Kahane issued a press communique yesterday saying that "he doesn't give a hoot for the Bolsheviks of the left or the hypocrites of the Likud." He said he will appeal to the High Court of Justice, and come what may he will get to any part of the country he chooses.

The Alignment's Shevah Weiss changed his stand this week, after saying more than once that the proposal was a "dangerous precedent."

He warned his fellow committee members, "Today it is Kahane — tomorrow it could be Tawfik Toubi."

And he told The Jerusalem Post two weeks ago that, if his faction instructed all its members on the committee to vote for Solodar's motion, he would ask to be replaced for the vote.

But at Monday's faction meeting it was Weiss himself who insisted on faction discipline — in favour of the motion.

The phrase "freedom of movement" refers to the provision in Article 9 of the Immunity Law, that, "no order that forbids or restricts the approach to any place in the country not in the private domain shall apply to a Knesset member, unless the ban or restriction has been imposed for reasons of state security or military secrets."

ON THE ECONOMY ROAD (I)

Jerusalem's Ramot quarter

Social workers fear effects of austerity

People are buying less luxury food in the small cluttered groceries of Ramot, but most people in this new suburb north of Jerusalem seem to feel that they can cope with the curtailed income they have been receiving for the last few months.

But the situation is precarious. Many people active in the community or working for it in various capacities feel that just a little more belt-tightening might have disastrous effects on many families and the community as a whole.

According to a memorandum prepared by Batya Vashitz, director of the Family and Community Services Department in the Jerusalem Municipality, social workers are beginning to get a new sort of client — families where both parents have jobs and bring home wages, yet

In the first in a series of articles on how Israelis are coping with the economic situation, Jerusalem Post reporter MICHAEL EILAN takes a look at a city neighbourhood.

cannot cope with rent or mortgages, electricity and heating bills or the expense of bringing up children.

Rabbi Epstein, head of the municipality's social work bureau in Ramot, says that about 9 per cent of the 5,000 families in the new suburb are being dealt with at her office. Not all of these have purely financial problems, but she says that money is usually not far under the surface of a family's troubles.

Epstein and her superior Vashitz see several disturbing trends in the kind of requests for help they have

been getting in the last few months. People find it impossible to raise the over \$500,000 a month needed to keep a baby in a crèche while the mother is at work. There has been an increase in the number of parents who want to send their children to free boarding schools.

"What do they expect me to do?" a young woman with two small babies said at one of the grocery shops. "I never could buy anything more than the bare necessities, but one gets very angry when one has to choose between buying diapers or

eggs." She refused to be identified by name, because "the stigma sticks, and I don't want to go to a social worker or anything because when the kids get to school I want them to be like everybody else."

Yossi Yedid, chairman of the local community centre and a leader of the Ramot neighbourhood since the first buildings went up, says that most residents can still cope. He says there has been no significant increase in enrolment at a special programme the community centre organizes for teenagers perceived as "problematic."

The community centre raises 70 per cent of its budget from fees levied for the various services it supplies, and hopes to finish the fiscal year with a deficit of under 10 (Continued on Back Page)

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The weather at major Swissair destinations

	MIN.	MAX.	
AMSTERDAM	3	6	Cloudy
BRUSSELS	3	6	Cloudy
RUHR AREA	3	6	Cloudy
COPENHAGEN	3	6	Cloudy
FRANKFURT	3	6	Cloudy
GENEVA	3	6	Cloudy
HELSINKI	3	6	Cloudy
JOHANNESBURG	18	24	Clear
LEIPZIG	3	6	Cloudy
LONDON	3	6	Cloudy
MADRID	3	6	Cloudy
MONTREAL	3	6	Cloudy
NEW YORK	3	6	Cloudy
OSLO	3	6	Cloudy
PARIS	3	6	Cloudy
STOCKHOLM	3	6	Cloudy
TORONTO	3	6	Cloudy
ZURICH	3	6	Cloudy

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THE WEATHER

Forecast: Clear.

	Yesterday's	Yesterday's	Today's
	High/Low	High/Low	High/Low
Jerusalem	45/35	5-12	13
Haifa	45/35	6-14	14
Tel Aviv	45/35	5-10	10
Beersheva	45/35	12-18	18
Nahariya	45/35	8-15	15
Safed	45/35	4-20	20
Haifa Port	45/35	6-14	14
Tiberias	45/35	5-20	20
Nazareth	45/35	6-21	21
Afula	45/35	5-20	20
Shomron	45/35	5-20	20
Be'er Sheva	45/35	10-20	20
Be'er Sheva	45/35	5-20	20
Be'er Sheva	45/35	5-20	20
Be'er Sheva	45/35	5-20	20
Be'er Sheva	45/35	5-20	20

SOCIAL & PERSONAL

Abba Kovner will speak at the opening of "The Jewish Heritage in the Eye of the Camera," at Beth Hatefutsot in Tel Aviv at 8:30 p.m. tonight.

Haifa University rector Prof. Uriel Rappaport will be the guest speaker at the Haifa Rotary Club's ladies evening in the Shulamit Hotel at 8 p.m. tonight.

MK Ehud Olmert will speak on "Activities in the Knesset" at the weekly meeting of the Jerusalem Rotary Club at 1 p.m. in the YMCA tomorrow.

In Memoriam

A memorial service will be held today at the Mt. Herzl cemetery in Jerusalem at 2:30 p.m. today at the grave of Tzvi Ben-Ya'acov, of Kibbutz Hahotrim, who parachuted behind Nazi lines in World War II and was captured and executed.

COALITION

(Continued from Page One)

Shapira said, referring to his party's guiding Council of Torah Sages. Former Education Minister Zevulun Hammer said the NRP would not be partner to any narrow government, led either by the Labour Party or the Likud, but Burg said later that if there was no alternative, a narrow Labour-led government should be considered.

The liberals put up a united front when asked whether they would consider remaining in the government if Herut resigns, stressing that they are part of the Likud. (See separate story) Members of Shas, whose resignation came into effect yesterday morning thanked Likud ministers for their firm support in the negotiations. Shas leader Rabbi Yitzhak Peretz asked the Likud not to resign as well and consider the issue well, because the people need a strong government now.

"We freed them of responsibility and commitment to us," Shas secretary Arye Deri said yesterday, noting however that if the Likud did resign, it would strengthen the tie between Shas and the Likud.

"We hope the Labour Party does not count on us in forming a narrow government," Deri said. "But the coalition agreement with the Likud does not exist any more. Meanwhile, the Alignment has changed: Mapam and the CRM are not part of it. Peres has revealed positive qualities. This gives us a new view of the Labour Party," he said.

But he also said that Shas had hard feelings concerning the Labour Party, which, he said, had not lifted a finger throughout the negotiations. Deri said that he briefed Rabbi Ovadia Yosef, the Shas Rabbinical Council, who is now in Paris, on the developments.

Kudos to Rivka Chechick

One of the early graduates of the Hadassah Nursing School and later one of its nurses, continues to serve her alma mater philanthropically. She is donating her movie house, the Semadar Cinema (German Colony, Jerusalem), for a fundraising party (for all ages) to benefit Hadassah, on Sunday, Dec. 23 at 3 p.m. Refreshments and entertainment.

From the Capt. Yehiel and Ruth Glovsky Langer Hospitalty Foundation, 1 Mapu St., Jerusalem.

Tomorrow — Haga (Civil Defence) Exercise in the Yavne Area

Tomorrow, Thursday, December 20, there will be a Haga exercise in the Yavne area, from 6 a.m. to 6 p.m. During the exercise, the sound of firing and explosions will be heard, and the sirens will sound the all clear. In the event of a real attack, the sirens will sound a rising and falling note.

HOME NEWS

Ata workers in march and rally

By DAVID RUDGE
Jerusalem Post Reporter

HAIFA. Ata employees and their families took to the streets yesterday for their first demonstration in the three-month-long crisis to protest against the threatened closure of the firm.

The employees, joined by workers from factories throughout Haifa and the North including those employed at Ata's sewing shops in the Galilee and heads of local councils, marched in silence from the Kiryat Ata factory to a rally at the nearby Kiryat Ata town hall.

Only there did members of the crowd, numbering several thousand, give vent to their feelings.

They cheered loudly as Pinhas Groob, chairman of the Ata works committee, declared "only by cutting us into little pieces will they get us to leave Ata."

Groob had earlier warned that Ata will close on December 31 and

that Haifa District Court Judge Eliezer Bar was already preparing dismissal notices for the 2,600 employees.

Groob said the rally was only the first step in an action campaign and more demonstrations would follow. The Ata employees plan to demonstrate outside Beit Asia, the Tel Aviv headquarters of the Eisenberg group tomorrow, Ata's main shareholders, followed by a mass rally outside government offices in Jerusalem on Sunday.

Groob said that if the government refuses to extend the deadline, some of the employees will begin a hunger strike during Sunday's demonstration and will remain outside the government offices indefinitely. "If they die the government will be held responsible," he said.

Haifa Labour Council secretary Moshe Werman demanded that the government issue a clear statement

before Sunday that Ata will not close. If this assurance was not forthcoming the Labour Council would organize strikes in all the municipalities in the Haifa district, he said.

Histadrut central committee member Gideon Ben-Israel, chairman of the Histadrut's emergency committee which is handling the Ata crisis, said it would not let Ata close under any circumstances. Ben-Israel was heckled on several occasions by Ata employees who accused the Histadrut of not doing enough to save the firm.

Knesset member Yair Tsaaban (Mapam) read out a letter, signed by 40 Knesset members from all political factions, pledging their support for Ata employees.

In the Knesset, The Democratic Front for Peace and Equality yesterday asked for a motion of no confidence in the government's handling of the Ata problem to be debated early next week.

Rambam Hospital services threatened

Jerusalem Post Reporter

Debt-ridden Rambam Hospital faces a cut off of cleaning and maintenance work and a cessation of bread and milk supplies. The Jerusalem Post learned yesterday.

The hospital owes a total of nearly \$500,000 to its suppliers but says it cannot pay because the Treasury has not forwarded the necessary funds.

According to staff sources the pri-

vate contractors carrying out cleaning and maintenance work at Rambam have warned that they will cease work today unless they are paid for their services.

The Achdut bakery, Tnuva and other suppliers are also threatening to stop their services. So far essential medicines and medical equipment have not been effected.

The Post learned that similar

problems are being experienced by other hospitals in the city and throughout the north.

Meanwhile staff at Rambam are to hold a general meeting today to discuss the Health Ministry's demands to dismiss 47 employees. The meeting, which will be attended by representatives from all the hospitals in the north will also discuss the general financial crisis.

Group to act for Israeli exports to EEC

By ASHER WALLFISH
Post Knesset Correspondent

The European Parliament delegation which brings its dialogue with the Knesset to an end this morning is to ask its plenum in Strasbourg to press for the maintenance of Israeli farm exports to the European Community at their present level at least after the entry of Spain and Portugal into the community in two years.

"Israel's markets must not shrink because those two countries join," West German's Eric Blumenfeld said at a press conference in the Knesset building yesterday evening.

Blumenfeld said that "proper negotiations must be conducted at an intensive pace between the Common Market authorities in Brussels and Israel, and concluded prior to Spain and Portugal's entry."

Blumenfeld charged that the Brussels authorities had been guilty of "delaying tactics" during the past year on economic negotiations with Israel. "This is unacceptable, and

moreover a violation of the EEC agreement concerning economic relations with Israel."

The chairman of the delegation, Roger Ejarde of France, said the delegation would leave Israel convinced that a firm resolve existed in the country for a peaceful dialogue with Israel's Arab neighbours. "We realize of course that for dialogue you need two sides," Ejarde said.

He said President Chaim Herzog had accepted his invitation to address the plenum of the European Parliament in Strasbourg in February.

King Hussein had already addressed the European Parliament, he said.

Fajardie said the fact that the newly-elected Parliament of Europe sent a delegation to Israel before any other country was ample testimony of the friendly ties between the Ten and Israel.

Until the Palestine Liberation Organization renounces its call for

the elimination of Israel, he said, there can be no progress towards Middle East peace. In any case, he said, states cannot talk to the PLO, which is not a state but merely a group or organization.

The Italian Communist delegate, Giorgio Rossetti, said in reply to a question from The Jerusalem Post about his attitude to the PLO, that "information from the meeting between Italian Premier Bettino Craxi and Yasser Arafat just recently, showed the PLO was ready to renounce violence as a means for solving territorial conflicts."

Rossetti, who said the PLO was now becoming a more democratic organization, said he believed that "the initial step forward in the Middle East peace process must be made by the Arab countries."

The countries represented by the delegation of ten parliamentarians include France, Denmark, West Germany, Ireland, the United Kingdom and Italy.

At Sharon libel trial

'Time' chief reporter: Halevy was target

By WALTER RUBY
Jerusalem Post Correspondent

NEW YORK. — Time magazine's chief of correspondents, Richard Duncan revealed in the Sharon vs. Time libel trial here yesterday that he advised Time reporter David Halevy to extend a stay in the U.S. during the summer of 1980 because he had become a political target of the Begin government. The incident followed an article by Halevy which appeared in the Washington Star alleging that the Begin government was dragging its heels in its search for the Jewish terrorists who carried out bomb attacks on three West Bank Arab mayors.

Halevy wrote the article that Sharon is suing Time over in which it is alleged that Sharon encouraged the massacre of Palestinians at the Sabra and Shatila refugee camps in West Beirut in September 1982.

Sharon places winning bet on Powerful Witness

Industry and Trade Minister Ariel Sharon yesterday confirmed a report published Tuesday in the New York Post that he had gone to a local racetrack last Saturday night with writer Sid Zion, and had placed bets on a number of horses. According to the New York Post Sharon won \$39.

In the trial yesterday, Richard Goldstein, a lawyer for Ariel Sharon, continued the cross-examination of Duncan. Goldstein asked Duncan why, in an internal memo to top Time editors at the time of the magazine's faulty 1979 story on Menachem Begin's health, he had criticized Time's bureau chief Dean Fisher for telling the prime minister's media adviser Dan Patir that the magazine would apologize for the report, when in fact Time later published a partial retraction, saying it "regretted" the report.

Duncan conceded that "regret" and "apologize" are "in the same ballpark," but he added, "there is obviously a distinction, although the expression of regret goes a long way to making an apology." Duncan said that his "problem" with Fisher during the incident was that, "Fisher took the initiative in offering an

apology (to the prime minister's office). We in New York rather have had more direct control. He was operating on his own."

In response to a question, Duncan said he believed that Shimon Peres probably received only "marginal political benefit" from a 1977 Time story, based on files from Halevy, which revealed that Peres had accompanied then-prime minister Yitzhak Rabin to a secret meeting with Pierre and Bashir Jemayel. Goldstein seemed to suggest that Halevy had a conflict of interests in writing the story, since he was an adviser to Peres when the story appeared — in early 1977 when Peres was challenging Rabin for primacy in the Labour Party.

Late Monday, Duncan acknowledged that he considered Begin a "credible" source on what was in secret Appendix B of the Kahan Commission Report. Judge Abraham Sofaer remarked, outside of the presence of the jury, "I take this as a classic admission."

SHAS-NRP

(Continued from Page One)

ministerial committee make the appointments to the religious councils which were previously the exclusive prerogative of the Ministry of Religious Affairs.

In addition, Shas demands that budgetary approvals to religious councils issued by the (NRP-held) Ministry of Religious Affairs require the agreement of the (Shas-held) Interior Ministry.

The NRP is prepared to pledge "coordination," but not to agree to "agreement" which would, by clear implication, give Shas-installed officials a veto over NRP-affiliated officials' disbursements.

State appeals sentence

TEL AVIV (Itim). — The state filed an appeal against the light sentences meted out to the two grave robbers who removed the body of Tereza Anghelovici from her burial plot last March.

David Ehrenfeld and Meir Agassi were sentenced to three months imprisonment by a Rehovot court last month. Defence counsel for the two convicted men, both of whom allegedly had acted out of religious motives in desecrating Anghelovici's Rishon Lezion grave, announced they would file a counter-appeal.

THE HEBREW UNIVERSITY OF JERUSALEM

mourns the passing of

OTTO STIEBER

faithful friend of the University, member of its Board of Governors and recipient of an honorary Ph.D. from the Hebrew University, 1983, and extends its condolences to his wife Evelyn and members of the family.

4429-30-11

Tel Aviv University Faculty of Management

The Leon Recanat Graduate School of Business Administration deeply mourns the passing of

LAWRENCE SCHACHT

of the U.S.A.
A great friend and benefactor of the University



Ata workers demonstrates yesterday in main square of Kiryat Ata. (Israel Sun)

Herut demonstration at Iksal ends peacefully

IKSAL (Itim). — A demonstration of several dozen members of the Herut Young Guard against MK Abdel Wahab Darousha's attempt to participate in the Palestine National Congress in Amman took place here yesterday without violence.

Before the Herut demonstrators arrived, thousands of counter-demonstrators came to express their solidarity with Darousha and the village. Among the thousands were local kibbutzniks, Peace Now activists, and members of the Labour, Mapam and Rakah parties.

Also at the village was a group from Kibbutz Kfar Masaryk, the home of murdered soldier Haddas Kedmi. A spokesman for the group said it came partly out of gratitude to

Iksal, which sent many volunteers to search for the missing woman.

Hundreds of police and many journalists from Israel and abroad were present.

The Herut delegation was led by MKs Michael Eitan and Meir Cohen-Avidov. One Herut speaker said that their demonstration was not aimed against Iksal, but only MK Darousha. Among the placards held up was one reading, "Darousha, get a one-way visa to Amman."

Police kept the Herut group widely separated from the counter-demonstration. After shouts and speeches exchanged over megaphones, both groups dispersed quietly.

Murphy said to urge PLO, Israel mutual recognition

KUWAIT. — U.S. Assistant Secretary of State Richard Murphy has urged the Palestine Liberation Organization for "mutual recognition" with Israel as a precondition for Washington's own recognition of the PLO, according to a report in the newspaper Al-Qabas yesterday.

The paper, in a report from its correspondent in Amman, said Murphy met with a Palestinian personality whom it only identified as "close" to the PLO during his visit to the

Jordanian capital.

Al-Qabas said the Palestinian conveyed to Murphy the PLO policy on peace efforts and "the PLO keenness to have a dialogue with the U.S."

In Damascus, Murphy talked last night to Syrian Foreign Minister Farouk al-Shara on ways to speed up an Israeli withdrawal from South Lebanon, the official Syrian news agency Sana reported. (AP, Reuter)

Terror defendant scores jail conditions

West Bank land dealer Moshe Zar, one of the defendants in the Jewish terror trial, said yesterday that he had been held in a small, smelly cell, where he could hardly breathe, after his arrest. Zar, who is accused of participating in the attack on Nablus Mayor Bassam Shak'a in 1980, was himself attacked with a hatchet last year by assailants, who were said to be opposed to his land deals for nationalist reasons. A number of West Bank residents were arrested in the case.

Zar told the Jerusalem District Court that he had told a General Security Services agent "The Arabs tried to kill me and failed; now you are trying to finish the job by keeping me in this cell."

Zar also testified that he asked a GSS agent called "Johnny," who said that the service had been following him around, how the GSS did not manage to prevent the attack on him.

Zar gave details of what he said were expressions of support for the Jewish terror group on the part of GSS agent "Abu-Sharif." According to Zar, Abu-Sharif had told him

that the settlers and the GSS were "on the same side. Before you were arrested everyone thought it was the GSS which was carrying out those actions. We are with you to the end."

Zar said he thought he would be released from jail after he confessed, and referred to his confession as his "exit permit from prison."

The court is continuing to consider the admissibility of the defendants' confessions. (Itim)

MK Abba Eban

Reacting to a report in The Jerusalem Post yesterday, a spokesman for MK Abba Eban said that Eban was not present at a meeting of Labour doves and was not aware of any plan to form a lobby.

Speaking at the annual Balfour Dinner hosted by the Israel-British Commonwealth Association and presided over by its chairman, John Furman, Eban declared that "periods of diplomatic inaction usually end in war."

Eban warned that Israel should not turn a deaf ear to new voices resounding in the Arab world. But he came out against any international peace conference where, "the mediators need to make peace between themselves before they can arrange it for the disputing parties."

Hailing the state of Anglo-Israel friendship, British Ambassador William Squire stressed that his country would do everything in its power to help Israel achieve peace, security and prosperity.

MODAT

(Continued from Page One)

if the workers forego compensation for such a step. He added that he was afraid that the burden of the increase in basic commodity prices would fall upon the industrialists through the payment of cost-of-living increments.

The committee approved the allocation of IS38 billion in subsidies for basic commodities, fuel and electricity.

Modat told the committee that next week he will present a proposal for a 4 per cent increase in the advance income-tax payments to be paid by the self-employed groups not covered by the price freeze (diamond dealers, jewelers and vegetable sellers).

Modat told the morning seminar that he had thought that the national unity government would be able to heal the economy since it would not be dependent on the small Knesset factions. "But instead, a new political attitude has developed with each of the big parties supporting its ministers when they oppose the cuts in their ministries' budgets," he said.

"Every minister now making trouble over his budget voted in favour of axing that same budget when he was only an MK," he declared.

At the seminar a group of economic experts and senior officials presented a bleak forecast for the economy in the coming months.

Former Treasury director general, Ezra Sadan, predicted a large increase in unemployment. He said that unless budget cuts are implemented soon, unemployment may exceed that envisioned by the present budget cuts. According to his estimate, the number of unemployed may well climb above 150,000 if the cabinet does not cut the budget in an orderly manner.

Sadan was supported by Budget Department head Aaron Fogel, who said that the government faces a choice between accepting controlled unemployment in the public sector or large and uncontrolled unemployment in the private sector.

Eban urges peace opportunities be heeded

Jerusalem Post Reporter
TEL AVIV. — The existence of the National Unity government should not be permitted to constitute an obstacle to peace, said Knesset Foreign Affairs and Defence Committee Chairman Abba Eban last night.

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In deep sorrow, we announce the death of

ELKA SHAIKOWITZ

(Montreal, Canada)

The funeral will take place today, December 19, at 11 a.m. at Kfar Samir Cemetery, Haifa.

Husband: Archie Shalkowitz
Sons: Charles, and Leah Shalkowitz and Children
Daughters: Livia, and David Goldenblatt and Children
Sister: Rachel, and Yosef Kleid

We mourn the passing of

ELKA SHAIKOWITZ

and express our sincere condolences to: Archie, founder of the Pediatric Research Fund and to Dr. Charles Shalkowitz and family.

Prof. T.C. Iancu and Colleagues
Pediatric Research Unit
Carmel Hospital, Haifa

Our dear

OTTO GUTTMAN

is no more.

The funeral will take place today, Wednesday, December 19, 1984, at 2:00 p.m., at the Old Rishon Lezion Cemetery.

Mourners:
Wife: Ruth Guttman
Sons and daughter-in-law: Ariel and Ziona Guttman
Ron and Aviva Guttman
Granddaughters and grandson

With deep sorrow, we announce the untimely death of our dearly beloved

ARNOLD GINSBERG

The Family
Inquiries to 03-780286. Shiva will be at 34 Hagitgal St., Ramat Gan.

Kupat Holim to examine \$5m. plan for the aged

By D'VORA BEN SHAUL
Jerusalem Post Reporter

A five-year plan for answering the health needs of the aged will be submitted next week to the national convention of the Histadrut's Kupat Holim Health Fund. The plan calls for the addition of 1,000 hospital beds, doubling the capacity of the home-care nursing system and the opening of 10 day-care centres for the aged.

Prof. Haim Doron, head of the health fund, told *The Jerusalem Post* yesterday that if the plan is accepted its implementation will cost about \$5 million. It will entail hiring 1,400 doctors, nurses and auxiliary personnel, he said.

Doron said that the health fund

will expect the money to come from government budgets or the National Insurance Institute's funds for social insurance for the aged.

At present the NII funds, which have been accumulating for several years and which have not yet been spent on the aged as they were intended to be, amount to about IS\$4 billion. But they cannot be disbursed without Knesset approval. Doron said that it is "unacceptable that money be deducted from wage earners for a specific purpose unless it is going to be used as intended."

As to plans to merge health facilities in southern Jerusalem with Misgav Ladach Hospital, Doron said that if a suitable proposal is made by Misgav Ladach he will recommend it to the convention.

Gov't seeks solid safeguards to restrain Lahat's 'largesse'

By LEA LEVAVI
Jerusalem Post Reporter

TEL AVIV. - Tel Aviv will have to raise its taxes by ten per cent in real terms and fire several hundred workers as part of its recovery programme. Interior Ministry director-general Haim Kubersky reiterated at a press conference here yesterday.

Kubersky's remarks followed recent public charges by Tel Aviv Mayor Shlomo Lahat that elements of the recovery programme envisioned by the government are "unreasonable and impossible." The government has insisted on making its demands for economy a prerequisite for its bailing the municipality out of its current financial straits and is insisting on concrete safeguards for any bank loan agreement reached with Lahat, who has flouted such agreements in the past.

Tel Aviv's current problems are the city's own deliberate doing, said

Kubersky. Every few years, he claimed, projects are undertaken even though there is no money to pay for them and the confines of the budget are ignored. Kubersky cited an investment of IS\$10 million in the Ha'aretz Museum and an expenditure of about a million dollars to open an art school this year for 200 pupils.

He noted that Tel Aviv's budget is almost twice that of Jerusalem, even though Jerusalem has more residents. Therefore the government, he said, does take into account the commuters streaming into Tel Aviv every day.

The Interior Ministry and the Tel Aviv municipality are currently negotiating the authorization of bank loans to the city, Kubersky said, but he emphasized that the city will not receive help from the state budget and will have to pay off the loans from its own resources.

'Gov't must okay any new settlements'

Jerusalem Post Reporter

The co-chairman of the World Zionist Organization's Settlement Department said yesterday that it would not establish any settlements beyond the Green Line without a clear decision by the government and funding for the project.

Nissim Zivli, of the Labour Party, made the statement during a tour of Neot Adumim, a settlement in dispute between two *gar'inim* (settlement core groups).

Zivli said that the treasury's cutbacks have brought many settlements to the verge of collapse and in such a situation, there is no possibility of establishing new ones.

At Neot Adumim, where two *gar'inim* claim the settlement, Zivli criticized former assistant to the defence minister Uri Bar-On. Zivli said Bar-On promised the settlement to one group five months ago, while the same place had been promised to another group of pioneers four years before.

Zivli promised that the Settlement Department would accede to a Defence Ministry request and, as a "humanitarian gesture," provide equipment needed to get through the winter. A number of caravans are to be provided instead of the existing tents.

The group, which met with Peres on the eve of last summer's elections, emphasized after the meeting that they discovered "a changed attitude" in the prime minister's office regarding Lebanon. "There's no doubt that we get a better hearing with him (Peres) than we did with previous governments," said one of the participants after the meeting.

Interrupting political discussions to hold the previous slated meeting, Peres made no promises about the timing of a withdrawal from Lebanon, but said that there would be no "intermediate withdrawal," of IDF troops to lines other than the international border.

The *Jerusalem Post* has learned that Peres told the delegation, which complained that the Nakoura talks "are going nowhere," that he is also not happy with the progress being made in these negotiations.

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Gur pledges settlers won't lack care

Jerusalem Post Reporter

Health Minister Mordechai Gur, inspecting health facilities for settlers in the West Bank yesterday, pledged ministry support in ensuring that the settlers do not suffer from a lack of health facilities.

Gur visited the Binyamin District Council near Nablus and also met with Gush Emunim activist Benny Katzofer.

Uvda, Elat airports set for tourist influx

Post Aviation Reporter

Some 2,500 tourists are expected to land at the Uvda and Elat airports next Sunday, two days before Christmas, a spokesman for the Israel Airports Authority reported yesterday.

The spokesman said the passengers are expected on 14 charter flights operated by El Al and foreign carriers.



Members of the Histadrut Central Committee yesterday visit a group of activists staging a hunger strike for Soviet Jews in Tel Aviv's Kikar Dizengoff. The notice on the right reads: "The Histadrut supports Prisoners of Zion."

Knesset 'Council for Soviet Jewry' acts

Post Knesset Correspondent

The Knesset yesterday formed a Council for Soviet Jewry, a body of 15 MKs, chaired by Uzi Baram (Labour) and Geula Cohen (Tehiya).

At the council's first session, which was held yesterday under the auspices of Knesset Speaker Shlomo Hillel, it was decided to ask the Netherlands Embassy to intercede on behalf of Prisoners of Zion and refuseniks who were granted Israeli citizenship.

The council sent telegrams to the Soviet prosecutor-general and the minister of justice, demanding that the trial of Yuli Edelstein, due to

open today on drug charges, be cancelled.

Other telegrams were sent to members of various European parliaments asking them to get their governments to intercede on behalf of Edelstein.

The World Committee to Save Russian Jewry has sent a telegram to Soviet President Chernenko demanding an end to the "brutal mistreatment" of Prisoners of Zion Yacov Levine, Jan Mesh, Mark Naponenski, Evgeny Lin, Yuli Edelstein, Sacha Khomilenski and Lazar Rulyov-Kagan. The text of the telegram was read out last to a rally at the Western Wall by committee chairman Rabbi Raphael Halpern.

Beef import ban proposed as turkey farmers protest

By YITZHAK OKED
Jerusalem Post Reporter

TEL AVIV. - Agriculture Minister Arye Nehamkin is to propose banning beef imports at next week's cabinet meeting, in an attempt to save foreign currency and stimulate local production.

Yesterday turkey farmers staged protests at cold storage plants in Haifa, Ashdod, Holon and Migdal Haemek, preventing operations for several hours, before being dispersed by the police. The farmers were protesting against the policy of subsidizing frozen chickens, which they say is responsible for the 5,000-ton surplus of frozen turkey in the country.

They threatened to take more

drastic steps, such as locking themselves in the storage plants, if the situation does not improve.

A spokesman for the Agriculture Ministry said yesterday that Nehamkin's proposal to ban beef imports would solve the problem of the turkey farmers, encourage the population to eat more poultry, and at the same time encourage local beef production.

At the present time, Israel imports some 45,000 tons of beef a year at a cost of \$80 million and produces about 15,000 tons locally. The ministry would like to see local beef production raised to 25,000 tons per annum and the public making up the balance with poultry consumption.

Municipality to sue J'lem contractor

By MICHAEL EILAN
Jerusalem Post Reporter

The Jerusalem municipality is filing a \$186 million suit in the district court today against a contractor who exceeded the terms of his building licence.

The contractor, Ezra Yosef Levy, was found guilty by a municipal

court of illegally adding living space to two apartment blocks he built near the luxury Wolfson Tower building complex.

City officials said yesterday that besides the suit, to be filed in the Jerusalem District Court, Levy still faces proceedings in the municipal court.

Haifa women prizes

Jerusalem Post Reporter

HAIFA. - The annual "Woman of Merit" awards to women who have made outstanding contributions to the community are to be presented by Mayor Arve Gurel at city hall tonight to mark the 34th Mothers' Day celebrations.

The three women chosen this year are: Zilla Weiss, for her work in the "Big Brothers League"; Zviya Gleser, for her exemplary conduct as a nurse; and Nawel Saliman, for promoting Arab-Jewish co-existence and advancing the status of Arab women. The "Girl of Merit" award is to be presented to Sigal Biton for her voluntary work helping handicapped children.

Crowded hospital can't handle more deliveries

The Health Ministry yesterday announced that, due to extremely crowded conditions at Tel Aviv's Kirya hospital, women scheduled to deliver within the next 10 days, whether or not they are pre-booked, are advised to go to other hospitals in the area.

HIKES. - The Nature Protection Society's council, meeting at the Gilo field school near Jerusalem, has expressed concern at the decline of school field trips and nature study camps. The council sent a message to Education Minister Yitzhak Navon supporting his efforts to prevent a reduction in these activities.

Herzog kindles lights with Modi'in torch

By JUDY SIEGEL
Jerusalem Post Reporter

Kindling the Beit Hanassi *hanukkiva* (candelabra) with a torch from Modi'in, the birthplace of the Maccabees, President Chaim Herzog last night called Soviet Jewry activists the "new Maccabees" because of their courage in demanding to go to Israel.

Five hundred teenagers, members of the Maccabi youth movement brought the torch from Modi'in.

The reawakening of Jewish identity and eagerness to move to Israel that has taken place recently in the Soviet Union is similar to the revolt of the Maccabees against the Seleucids 2,148 years ago, the president said. Soviet Jews of today, Herzog continued, are fighting against assimilation and oppression. Thus the fixing of solidarity week for Soviet Jewry during Hanukka week is appropriate.

Ethiopian immigrant children, whose families are soon moving from temporary quarters to permanent

homes, will receive a Hanukka gift from Aura Herzog, the president's wife.

Volume One of *My First Encyclopedia*, a 12-volume easy-Hebrew encyclopedia for children, dedicated to stories about Israel and Zionism, will be presented to the youngsters at Hanukka parties being organized by the Jewish Agency and the Absorption Ministry. Each gift will be accompanied by a personal greeting from Mrs. Herzog.

Ethiopian children whose families are in permanent homes will receive a Hanukka gift from the First Lady, Aura Herzog. The president's wife, with money from a special fund, bought Volume One of *My First Encyclopedia*, a 12-volume easy-Hebrew encyclopedia for children. Volume One is dedicated to stories about Israel and Zionism. The gifts will be presented to the youngsters at Hanukka parties being organized by the Jewish Agency. Each gift will be accompanied by a personal greeting from Mrs. Herzog.

'Army to fight racism by teaching democracy'

By JOSHUA BRILLIANT
Post Defence Reporter

The IDF Education Corps sees no need to take specific action against the spread of views propounded by Kach leader Meir Kahane, IDF Chief Education Officer Tat-Aluf Yos Eldar said yesterday.

Speaking at an IDF education centre on Mount Gilo in Jerusalem, Eldar said that by explaining the advantages of democracy the army hoped also to combat racism.

Eldar said that more than 40,000 soldiers last year attended courses on topics like democracy, law and order and how to hold a civilized discussion.

Soldiers fulfil their duties in Lebanon despite the risks and the controversy over their presence there because they have been convinced they ought to do their job irrespective of their personal views and because they attach great importance to their unit's image, Eldar claimed.

Commanders explaining to the soldiers why they are serving in Lebanon, distinguish between the

question of whether the invasion was justified and the need to carry out this or that activity," Eldar said.

He recalled that last August, when high school graduates were drafted, there were five candidates for each place in the Paratroop Corps and the Golani and Givati brigades. This, he said, was despite the fact that everybody knew the soldiers in those units would go to places such as Tyre - and a lot has been written against serving in Tyre.

The Army's education system was preparing for cuts following expectations or a shrunken budget, Eldar said, adding there will be fewer training manuals, fewer publications and less entertainment. At present three to four teams of entertainers go to Lebanon every month.

Eldar said that if the budget is cut severely he may have to close some of the centres his corps operates and hold the courses in the field.

He insisted however that he will try to retain elementary-school level training for conscripts without it.

Senior officer: Cuts may waste money

Jerusalem Post Reporter

TEL AVIV. - Cuts in the defence budget might lead to the dismissal of hundreds of civilian employees of the Israel Defence Forces, Logistic Branch and cost the country more than it saves, according to a senior officer in the branch.

At a press tour of one of the branch's rehabilitation centres yesterday, the officer showed examples of the ways in which the centre was saving money.

According to the officer, a seriously damaged Patton tank can be repaired for \$200,000 by the centre, whereas a new one costs over \$1 million. He said that tanks, which in the past would have been turned into scrap, could now be repaired, thanks to new technologies learnt in the making of the Merkava tank.

The officer said that the workers had come up with several suggestions for cutting costs and improving efficiency from methods of binding electric cables in tanks to renewing nuts and bolts. He maintained that budget cuts would decrease the number of tanks and other pieces of equipment that could be repaired.

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 **Lufthansa**

Mitzpe Ramon needs jobs, but mayor sees future scope

By LIOA MORIEL
Jerusalem Post Reporter

MITZPE RAMON. - Unlike many of his colleagues in the hard-pressed local authorities, Mayor Shmuel Cohen has no complaints about municipal funding. "We don't need money, we don't need subsidies," he told *The Jerusalem Post* yesterday.

Cohen reported that there are nearly 350 jobs in this small development town 80 kilometres south

of Beersheba, and that morale is low. "Those who have a job stay, those who lose their jobs simply leave," he said.

But while he describes the situation in Mitzpe Ramon as "critical," the mayor says he manages to remain optimistic. "It's in my nature," he said, "and besides, I believe in miracles."

Cohen bases his optimism on a recently completed visitors' centre at the Ramon crater near here, and on

prospects for increased tourism. Government funding for a projected hotel has not materialized, but Cohen disclosed that there are plans to convert some of the town's 300 empty apartments into vacation and retirement homes. The apartments and cottages were built by the Housing Ministry several years ago, in anticipation of the Negev boom expected after the IDF's pullback from Sinai. But the boom never took place, and the homes never had

owners.

"The planning was all wrong," Mayor Cohen said. "There was no coordination between the ministries. You cannot build houses without building factories, schools and service facilities. It is a joke."

Cohen reported that several local plants have been firing workers, but that a hydraulics firm, known locally as "the ghost factory," has changed management and has begun recruiting workers again.



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Why SIT ?

U.S. defence cut less than experts want

WASHINGTON (Reuters). - President Ronald Reagan has decided to cut defence spending by \$28.1 billion in the next three years, less than half the total urged by his top budget advisers to reduce soaring government deficits, the White House announced yesterday.

Reagan's decision was a victory for Defence Secretary Caspar Weinberger in his battle against major defence cuts and a defeat for Budget Director David Stockman, who had called for Pentagon budget reductions of \$38b. in the 1986, 1987, 1988 financial years.

"The president emphasized his commitment to a strong national defence at adequate spending levels" in coming to his decision.

White House spokesman Larry Speakes said.

Defence spending in the current 1985 financial year, which ends next September 30, is \$258.6b.

The White House said that despite the cuts announced yesterday the Pentagon budget would rise in the next three years.

Defence spending would total \$277.5b. in the 1986 financial year beginning next October 1. \$312.3b.

Eleven South African miners die in mishaps

JOHANNESBURG (Reuters). - Eleven black miners died and three are missing after accidents on Monday at two South African gold mines. Five men died and three are missing after a rock burst at a gold mine east of Johannesburg.

Six men died after a mud rush at another mine complex southwest of Johannesburg.

'Greek army changes not tied to new defence doctrine'

ATHENS (AP). - The government denied yesterday that a surprise reshuffle in Greece's armed forces leadership on Monday night was linked with a new "defence doctrine" reflecting belief that fellow NATO-member Turkey poses a bigger threat to Greek security than the Warsaw pact.

"There is no connection with the changes in the armed forces leadership and the new defence doctrine," government spokesman Dimitri Maroudas told foreign reporters.

On Monday the government spokesman said the Defence Ministry planned to redeploy Greek troops from the northern border with Bulgaria to its eastern frontiers with Turkey.

Socialist Premier Andreas Papandreu, whose party has a long-term commitment to pulling Greece out of NATO, says repeatedly that Greece sees no threat from its Communist northern neighbours.

In Ankara, Turkish Foreign Minister spokesman Yalim Eralp charged yesterday that the Greek plan "shows that Greece's membership in NATO is only fictional."

"It looks as if Greek Premier Andreas Papandreu himself has started to fear the artificial Turkish threat he created with domestic policy considerations," Eralp said.

Greece and Turkey, neighbours and NATO allies, have been feuding over limits of territorial water, seabed rights, control of the airspace and the status of the Greek islands in the Aegean.

Gorbachev tells Commons: We're serious on arms talks

LONDON (AP). - Visiting Kremlin leader Mikhail Gorbachev said yesterday the Soviet Union is prepared to take the "most radical measures" in upcoming arms talks with the U.S. in order to limit and eventually eliminate nuclear weapons.

"It is now up to the U.S. to make a move, to take this time a realistic stand which would make for effective negotiations," he told British members of Parliament during a visit to the House of Commons.

Gorbachev, a member of the Soviet Politburo and a possible suc-

cessor to President Konstantin Chernenko stressed as he has before during his visit here the "key importance" of preventing an arms race in space.

Referring to upcoming arms talks in Geneva on Jan. 7-8 between the U.S. and the Soviet Union, Gorbachev said they would "embrace the question of non-militarization of space and the questions of reducing nuclear arms, both strategic and medium-range" and should be "considered and resolved in their interconnection."

Spain balks at conditions set for EEC membership

BRUSSELS (Reuters). - The European Community yesterday finally agreed on terms for Spanish and Portuguese membership but was immediately told that Spain wanted major concessions.

Spanish Foreign Minister Fernando Moran accused the 10-nation group of planning the enlargement without regard for Spanish interests.

He was talking to journalists after the group's foreign ministers put to him tough conditions on wine and fish, the last major outstanding enlargement issues.

Greece had earlier lifted its objections to the proposals, clearing the

way for final accession negotiations. But it still threatens to veto Spanish and Portuguese entry unless the 10 agree to a multi-billion dollar Mediterranean aid programme.

Moran said Spain had already made major concessions during the seven-year-old entry talks and would not accept indefinitely the extreme conditions which the community sought to impose.

"Membership by January 1, 1986 is still possible. But the limit to our ability to make concessions is in sight," he said, adding that the stalemate had sparked "national frustration" in Spain.

Vietnam sentences 5 to death in 'U.S.-backed' Chinese plot

HO CHI MINH CITY, Vietnam (Reuters). - Vietnam's supreme court yesterday sentenced five people to death by firing squad for plotting to topple Hanoi's communist government with help from China, Thailand and the U.S.

The five were among 21 dissidents found guilty of treason and espionage after a five-day trial in which China was named as paymaster of the plot to have been mounted next year.

Three others were sentenced to life imprisonment and the rest were given jail terms ranging from eight to 20 years.

About 1,000 spectators packed into the court in Ho Chi Minh City, formerly Saigon, as the death sentences were announced.

Judge Huynh Van Thang said the five were ringleaders of a plot

funded and armed by China and backed by Thailand with U.S. connivance.

Many of the defendants served in the former South Vietnamese Army. They admitted their guilt and pleaded for leniency when the trial ended on Tuesday.

During the trial, the prosecution said part of the plot was to kidnap or kill French and Soviet diplomats and technicians to sour Hanoi's relations with Paris and Moscow.

The plotters' aim was to launch simultaneous guerrilla and sabotage attacks, including blowing up Soviet ships, during 1985, the court was told.

The U.S. embassy in Bangkok Tuesday denied that American diplomats in Thailand took part in or knew of the plot.

Nine policemen killed in Sri Lanka guerrilla attack

COLOMBO (Reuters). - Nine policemen were killed yesterday when separatist Tamil guerrillas blew up a police jeep in Sri Lanka's eastern province, a government statement said.

The officer in charge of the Kalawanchikudy police station and eight other policemen died when guerrillas set off a landmine. The police had been chasing a van carrying a group of robbers, the statement said.

More than 400 people have been killed since guerrillas fighting for a separate Tamil state stepped up their campaign a month ago.

The government says they have threatened to proclaim an independent Tamil kingdom in the northern and eastern provinces on January 14.

More than 15,700 Sinhalese have fled from the two provinces to seek refuge in southern parts of the island, dominated by the majority Sinhalese community, a government spokesman said.

The spokesman, Buddhini Gunatunga, said more than 9,000 refugees were given shelter and food in six hurriedly set up camps while others were staying with friends or relatives.

Iraq vows to turn Gulf into 'a graveyard' for oil tankers

BAHRAIN (Reuters). - Iraq yesterday claimed its sixth attack in four days on merchant ships in the Gulf and vowed to turn a war zone encompassing Iran's Kharg Island oil terminal into a graveyard for any vessel entering the area.

In its latest claim, a military spokesman in Baghdad said Iraqi warplanes yesterday hit a "large naval target" - a term used in the past to refer to oil tankers - south of Kharg Island.

U.S. Bahais say Iran killed 6 sect members

UNITED NATIONS (AP). - The U.S. Bahai community reported on Monday that six more members of the religious sect have been executed in Iran.

Gerald Knight, Bahai representative to the UN, said that since the 1979 Iranian Islamic revolution, 137 Bahais have been executed, 10 others have died in prison, five have been assassinated, 22 have been beaten, stoned or burned to death by mobs and 14 have disappeared.

Scores of others are imprisoned with sentences of death pronounced against them, he said.

Knight said because of international protest after 17 Bahais, including 10 women, were executed in June 1983, "the Iranian authorities have adopted a policy of executing Bahais in small numbers, and in secret."

Identity card shift surprises

Pakistan official

ISLAMABAD (Reuters). Pakistan's chief election commissioner said yesterday he was surprised by a government decision to drop identity checks on voters in today's referendum, which is expected to give President Mohammed Zia ul-Haq five more years in power.

The government announced Monday night that voters would not have to show identity cards at polling stations, saying it was responding to public demand because many Pakistanis do not have one.

Supreme Court Justice S.A. Nusrat, who on Monday insisted strict checks would prevent any vote rigging, told reporters he was not consulted on the decision.

"I read it in the papers for the first time this morning," he said. He also said he would not resign and denied the commission's credibility had been harmed in any way.

Indira wrote of death plot against her

NEW DELHI (Reuters). - Indian newspapers yesterday published the text and photographs of a note written by the late prime minister Indira Gandhi in which she spoke of a threat against her life.

The undated note by Gandhi, who was assassinated on October 31, was not signed but was made available to the press by the office of her son and successor as prime minister, Rajiv Gandhi.

She said a sense of calm prompted her to compose "what is in the nature of a will."

She wrote: "If I die a violent death as some fear and a few are plotting, I know the violence will be in the thought and action of the assassin, not in my dying."

Soviet Afghan war defector going home

WASHINGTON (AP). - A young Soviet soldier who defected in Afghanistan and later denounced his country for waging a "dirty war" against the Afghan people, now wants to return home and will do so soon, U.S. State Department and Soviet Embassy officials said on Monday.

An embassy spokesman said Nikolai Ryzhkov, 20, who deserted from his military construction unit inside Afghanistan in June 1983, contacted the embassy several days ago and asked to go home.

State Department officials interviewed the youthful defector at the department on Monday, and a spokesman said it was determined that his desire to return to his homeland to be reunited with his parents and an older brother was genuine and not the result of coercion.

AMBASSADOR. - Finland yesterday appointed a roving ambassador whose job will be to ensure the success of the 10th anniversary meeting in August of the Helsinki Conference on Security and Cooperation in Europe.

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Sports

Shahar in form

ADELAIDE (AP). - Shahar Perkes of Israel produced the only real upset in the first round of the \$75,000 South Australian Tennis Open, when he beat the seventh seed, Tank Benhabiles of France, 5-7, 6-2, 6-3.

Perkes, 22, outplayed his more illustrious opponent in the final two sets while Benhabiles had trouble with foot faults throughout the match. After getting as high as 67 on the ATP computer this year, Perkes said his aim is to go into the top 50.

"I think that's possible. I've had some good results, I think I'm good enough to play consistently at that level," he said.

Other winners were Russell Simpson, Jakob Hasek, Howard Samuels, Mike Bauer, The Mayotte and Jonathan Smith.

Soccer test

By PAUL KOHN

TEL AVIV. - Israel will play Luxembourg in an international soccer match at the Petah Tikva stadium at 2.30 today. The game will enable national team coach Yosef Mirimovich to test more of his "possibles" for the World Cup Squad that will next year face Australia, New Zealand and Taiwan.

Luxembourg is one of the weaker teams in Europe, but is extremely active in international competitions. They lost 1-0 to Cyprus yesterday in Nicosia.

Mirimovich has called in Ronnie Rosenthal, the talented Maccabi Haifa striker, as the only new face in his squad. He may be given a chance to line up alongside team-mate Zahi Armel.

Betar Jerusalem, whose prospects of winning the league seem bright, are having problems because the administration is failing to meet their financial obligations to the players. As a protest, the players did not turn out to practise on Monday.

Penalties

By DON GOULD

Post Basketball Reporter
HOLON. - It is not yet clear what final punishment will be imposed on Hapoel Holon's Clarence Kee and Maccabi Tel Aviv's Kevin Magee for their battle royal here on Monday night.

Since both players were already warned for misbehaviour in the first league match between the two teams, it is certain that they will miss at least one game each.

Hapoel Holon's next game is a 15th round league fixture on Thursday night against Hapoel Haifa. Without Kee, their prospects of countering Haifa's big man, Lionel Houston, look dim.

Maccabi Tel Aviv have already played their 15th round league game, so their next scheduled game is the State Cup semi-final against Hapoel Ramat Gan on January 7. They have a strong bench, and Hapoel Ramat Gan are present in a state of confusion, so Maccabi's fate may not prove so costly. If Hapoel Ramat Gan overcome their financial problems and put all their pieces together, however, they can cause Maccabi without Magee a very severe headache.

Giants make it

NEW YORK (AP). - The puzzling picture in the National Football League was finally decided on Monday night - almost - when the Miami Dolphins pulled out a dramatic 28-21 victory over Dallas, eliminating the Cowboys from the play-offs for the first time since 1974.

Dan Marino's 63-yard touchdown strike to speedy Mark Clayton with 51 seconds left was the killing blow to the Cowboys' play-off hopes.

"It was a hard way to lose a game. They made a number of big plays," Clayton said. "I thought we contained them as well as we could."

Miami's victory put the New York Giants into the National Conference play-offs as a wild-card entry against the Rams on Sunday in Los Angeles.

Davis Cup

GOTHENBURG (Reuters). - John McEnroe last night beat Mats Wilander 6-3, 5-7, 6-3 in the first of the "decider" singles matches to reduce Sweden's lead to 2-1 in the Davis Cup tennis final, which Sweden made sure of winning on Monday night.

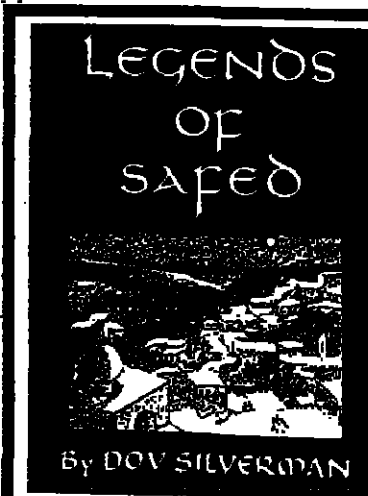
End of an era

By JACK LEON

Post Sports Reporter
TIBERIAS. - It was the end of an era in Israeli athletics here on Monday, when Shmety Sabag, 25, winner of the national title in the eighth annual Sea of Galilee International Marathon, ended the absent Yair Karni's long reign as the country's undisputed No. 1 runner over the 42-km. classic distance.

Karni, a Kibbutz Ha open nutritionist, still holds the Israeli record for the marathon, with a time of 2:17.34. He told me: "I need a rest from the marathon, so am giving it up for a year to concentrate on shorter distances. But I fully intend to return to the marathon."

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Context



An enterprising community

Ilan Chaim visits a welfare project that is turning into an export business. Rahamim Israeli took the pictures.

THIRTY WOMEN in Jerusalem's low-income Katamonim neighbourhood are eagerly awaiting the enactment of the Free Trade Zone agreement with the U.S. They are workers in a unique community enterprise—a clothing factory that began as a welfare project and has a good chance of becoming a worker-owned export company.

The firm, Gonen-Sun Kid, was established in September 1982 as an experiment in community rehabilitation. Conceived by Project Renewal, the factory would be an attempt to go beyond the cosmetic changes of lat-enlarging and building renovation already undertaken in the Katamonim. The new goal was to provide residents with gainful employment in their own neighbourhood.

The challenge was manifold: to convince women who had never worked outside the home—many of them with large families—that it was both worthwhile and possible for them to work in a factory; to train them in the necessary skills; to instill the discipline essential to assembly-line production; to find backers for the enterprise; and to establish the physical plant.

The last two criteria were the easiest to meet. The Katamonim—known officially as Gonen—were already twinned under Project Renewal with the Swiss Jewish community. The Braunshweig family of Zurich, which is very active in com-

munity affairs, owns European factories that produce children's clothes under the Sun Kid label. Sun Kid of Europe became the sponsor of Gonen-Sun Kid, licensing it to produce its lines and to market them in the U.S. and Canada. The parent firm also provided the initial \$70,000 for equipment and material.

THE PLANT was set up on the ground floor of the Katamon Heter community centre, a modern building situated next to the neighbourhood school. Gonen-Sun Kid was registered as a public company owned jointly by the Jerusalem Renewal Corporation and the Histadrut's Hevrat Ha'ovdim. On the practical level, the latter is further linked to the company by Kibbutz Tzora, which markets its own line of children's clothes through the Histadrut holding company and provides know-how—and also subcontracting work—to Gonen-Sun Kid.

"At first the goal was more social than economic," plant manager Dudu Gilboa told *The Jerusalem*

Post. "The idea of having small factories in poor neighbourhoods is one way, in the long term, of solving our social problems." But Gilboa, 35, a fashion designer and production engineer trained by the Shenkar College, did not have an easy time.

At the outset, Gilboa recalled, it was difficult to staff a complete shift. The local women were hesitant, "very conservative and shy about such a 'revolutionary' concept." Almost none had ever worked in a factory and many were illiterate. All were concerned that the work might interfere with their household responsibilities, and not a few husbands were opposed to the very idea of their wives working outside the home.

"Now there is a waiting list of women who want to work here," said Gilboa proudly. The factory runs two six-hour shifts on a five-day week. The staggered shifts allow the women—who are now all experienced seamstresses—to choose the most convenient hours for their family commitments.

GONEN-SUN KID was growing steadily until the economic package deal and its accompanying price freeze. Gilboa, who is also a member of the board of directors, estimated the growth of sales for 1982-83 at 25 per cent. The clothes are retailed nationally through the Hamashbir Lazarchan and Shekem chains, at various Jerusalem shops, and also at the factory.

But the plant is still operating at a loss. Since September, sales have dropped by 30 per cent. The freeze has cut earnings somewhat, but Gilboa and fellow board member Avraham Ben-Zvi, of Tzora's Canaan clothing factory, believe this will ultimately be insignificant. The clothing business is seasonal, after all. Next season's styles will be new creations, not subject to the price freeze.

"If we saw the factory as purely an economic enterprise, we'd have to fire half the workers," declares Gilboa. "But we see it as more than that." He notes that Gonen-Sun Kid's labour costs are higher than

those of its competitors, many of which employ non-union labour from the territories. "We are the only textile factory in the country employing only Jewish labour," he says, adding, "Ata fires. We don't."

AVRAHAM BEN-ZVI, a veteran Jerusalem businessman who became a kibbutz industrialist, notes that the ultimate goal is to transfer ownership of Gonen-Sun Kid to the workers, who will form a cooperative—a kind of "kibbutz", or urban kibbutz. Other associated ventures already under discussion are a cooperatively-owned local supermarket and several other stores. Givat Gonen Labour School, which inculcates labour movement values, has been a well-integrated part of the neighbourhood for several years.

Ben-Zvi feels Gonen-Sun Kid has a "60 to 70 per cent chance of success," noting that a new credit arrangement with Hamashbir—negotiated by the United Kibbutz Movement and Hevrat Ha'ovdim—will make it easier for the factory to weather the freeze.

Gilboa even argues that "hard times will help. A factory like ours develops out of necessity." He predicts that the stresses of the economic situation will force the community to pull closer together and make a success of the factory-stores-school cooperative.

One indication that Gonen-Sun Kid is on its way is the fact that the Swiss have withdrawn from the project, handing over to Hevrat Ha'ovdim. "The Swiss community's contribution has been tremendous," says Ben-Zvi, noting that they are now involved in a similar venture in the northern development town of Shlomi.

WHATEVER its social impact, Gonen-Sun Kid's financial success will be determined by its ability to export. Gilboa notes that the factory could easily step up production once it gets enough orders, and sees the Free Trade agreement with the U.S. as the doorway to a vast potential market. "If every other Jewish family in the U.S. would buy just one garment a year...." he muses.

If the worker-owned cooperative succeeds in the Katamonim, Gilboa states, there is no reason why it should not succeed elsewhere in the country. The very composition of the board indicates the national possibilities: three members from Hevrat Ha'ovdim, two from the United Kibbutz Movement, one from Project Renewal, two workers, one neighbourhood representative and one official of the Ministry of Labour and Social Affairs.

Asked whether the ministry had shown an interest in the enterprise, Gilboa said, "If we make cooperatives, Katzav will make cooperatives." Minister Katzav himself told *The Post* recently that he was aware of the factory project and promised to look into its possibilities on the national level. As Ben-Zvi pointed out, workers' cooperatives are a growing trend in economically depressed areas in the U.S. and Britain.

Meanwhile, the Histadrut is backing Gonen-Sun Kid. Hevrat Ha'ovdim signed a year's contract with the factory in September and—with the enactment of the Free Trade agreement in the offing—it expects the company to be making a profit by next year.

Gilboa is confident the investment is worthwhile. "We're doing something new, something that's never been tried before. And we have to invest resources in it."

Hospital with heart

By D'VORA BEN SHAUL / Jerusalem Post Reporter



Heart-scanning at Bikur Holim using sophisticated Elscint equipment. (Goldberg)

that everything is fine or that he should get into a taxi and come to the hospital. In some cases he may be told to stay where he is and an ambulance will be sent.

But it is inside the cardiology department that the electronic gadgetry boggles the mind of the uninitiated. Here, machines like the two-dimensional electrocardiograph pass ultrasound waves through the chest and the cardiologist can watch the working of the heart on a monitor. There is also the gamma scanner in the department's nuclear medicine laboratory which, linked to a computer, produces pictures of the heart before and after undergoing a stress test. This, Tsivoni says, is very important in detecting defects that might otherwise go unnoticed.

There is also a heart catheterization unit which, although a more invasive procedure, gives the most exact information about the inner workings of the heart. And of course there is a surgery for the implantation of pace-makers.

THE DEPARTMENT is not,

however, equipped for major open-heart surgery, since they feel, at Bikur Holim, that this would be a wasteful duplication of facilities.

Since the hospital is closely affiliated with Hadassah Ein Kerem and resident physicians from Hadassah get part of their specialized training at Bikur Holim, patients who are candidates for by-pass operations or other open-heart surgery are referred to Hadassah for the operation. But once they are out of hospital, their continuing care is through Bikur Holim.

However, machines alone cannot inspire the confidence radiated by the patients at the Heiden Cardiology Department, and in the end it is still the staff that sets the tone.

True, the cardiac out-patient is happy to know that a competent cardiologist is available 24 hours a day; and the in-patient feels good about the fact that the rooms are constantly monitored on a screen at the nurses' station. But it's the voice that answers and the person who comes to the bedside that matter most.

Different fare

MUSIC REVIEWS

week and nearly every day in Jerusalem. The concert, perched between an IPO subscription concert and JSO's *Six Brandenburg Concertos*, was poorly attended; those absent missed a first-class presentation and a rewarding musical experience.

Christopher Seaman, a young conductor, who attends to his task enthusiastically and elicits exacting and exciting playing from the musicians. The overture was, perhaps, a bit overly dramatic and, in view of the hall's acoustic limitations, too compact, but it was full of life and spirit.

The Israel Trio performed the solo parts of the *Triple Concerto* in a most satisfactory reading and, aided by the conductor's attention to providing orchestral cooperation, achieved a very creditable performance.

Elgar's pleasant *String Serenade* was given an appropriate interpretation, and the Mozart symphony had all the beauty of the score brought out by the shared effort of conductor and orchestra. Christopher Seaman gave an excellent account of his

musicianship and leadership, and the Sinfonietta, as usual, maintained its high standards. More Jerusalemites should come and hear them! THE YMCA Auditorium in winter is unfortunately cold and draughty, and its dim lights do not provide an atmosphere for relaxing and enjoying good music well-played. The chairs, after decades of intensive use, urgently need to be replaced.

YOHANAN BOEHM
HAIFA SYMPHONY CONCERT, Gilbert Varga (Germany) conducting, with Ricki Sperber, piano (Kiryat Haim, Beit Nagler, December 8). Rossini-Britten: "Matinée Musicale"; Schubert - Liszt: "Wanderer Fantasy"; Brahms - Schoenberg: Piano Quartet in G minor, Op. 25 for full orchestra.

IT WAS quite an unconventional choice, with all the programme concert being transcriptions. First there was an enjoyable presentation of the Rossini-Britten *Matinée Musicale*, five short pieces of changing moods and atmospheres, and all with some good solo parts.

On his first visit to Israel, guest conductor Gilbert Varga achieved a

good and continuous rapport with the orchestra musicians. Although the stage at Beit Nagler in Kiryat Haim is rather small for the orchestra, which usually performs in the Haifa Auditorium, there was good balance between the various groups.

Liszt's free arrangement of the Schubert was less pleasing. The transcription itself, richly orchestrated, is full of figures and ornate keyboard part, but is less impressive than the original score. Pianist Ricki Sperber provided a mostly clean and clear texture in the solo part, which was played with simplicity and technical dexterity.

Although the Schoenberg requires a larger number of instrumentalists, Varga and the HSO achieved a good performance of this most interesting orchestration of Brahms first piano quartet. Rich harmonies, good homogeneity in the strings, musical phrasing and romantic conviction contributed to a lively and convincing presentation.

ESTHER REUTER

CHAMBER MUSIC with Milka Laks, piano; Vair Kless, violin; Gad Levratov, viola; and Emanuel Graber, cello (Tel Aviv Museum, December 16). Mozart: Piano Quartet in G minor, K. 478; Avni: "Beyond the Curtain" for piano quartet; Brahms: Piano Quartet in G minor.

ZVI AVNI wrote *Beyond the Curtain* in 1979. Everyone sometimes draws a curtain between himself and the outer world, he explains, and this music should be understood as trying to penetrate that curtain to reestablish contact with what lies beyond. Unlike most such explanations by contemporary composers, Avni's not only pertained to the work but considerably added to the drama of listening. And a real drama it was!

One by one the instruments entered with penetrating statements and arguments, expressing willpower and determination. All were consequential, both as pure music and in their extra-musical meaning. The texture then thickened, assuming the character of a heated discourse. At its peak, it was suddenly cut off by brutal, clusterlike dissonances of the piano. A number of soli passages led towards a new climax in which all instruments descend into their lowest register, turning the music into frightening noise.

This noise, stopped at its peak, was followed by a most meaningful and total silence. Though *Beyond the Curtain*, like many of Avni's works, has its programmatic points,

it contains so many rich and meaningful purely musical components, that it undoubtedly could stand as a piece of absolute music though obviously there are personal connotations.

The four musicians seemed to invest a tremendous amount of work in Avni's piece. I do not think that any other performance would have made *Beyond the Curtain* more communicative or absorbing. The performance created a rare partnership between the composer, the performers and the audience.

The opening Mozart was totally unacceptable—an aggressive piano part in the first movement, a dry and unresponsive second movement and a mechanical third in all instruments.

The Brahms, however, was quite different. As a matter of fact, it surprised tremendously: the whole composition was played with a grand and sweeping gesture and overwhelming sonority. An irrepressible forward momentum could leave no one indifferent. An almost ecstatic enthusiasm and identification made the musicians play as though they were possessed. Occasionally Milka Laks applied aggressive bangs, but within the symphony of sound produced by the strings, it really did not matter. The question is: was the performance really so very strong or was it overdone?

BENJAMIN BAR-AM

ISRAEL PHILHARMONIC ORCHESTRA, Raymond Leppard conducting, with Sheila Armstrong, soprano; David Britton, tenor; Alexis Weissenberg, piano (Binyanei Ha'mam, Jerusalem, December 16). Purcell: "A Purcell Cabaret," devised by Raymond Leppard; Brahms: Piano Concerto No. 1, opus 15.

THE CONDUCTOR has put together an entertaining pastiche of Purcell's writings, representing the rocky road of love as seen through the perspective of the 17th century. It gave Sheila Armstrong and David Britton the opportunity to display their very pleasant voices, and with a bit of acting, to provide the naive among the audience with the illusion of theatre. The pretty melodies and the fine singing, as well as the lively playing of the small instrumental ensemble, put everyone into a pleasant mood, and there was warm, appreciative applause. Though this programme was too light-weight for a symphony concert, one must be grateful for any departure from the routine fare.

Raymond Leppard's conducting, as has laboured in the Brahms concerto as it had been lively and spirited in the Purcell. The exciting orchestral introduction sounded easy-handed and earthbound and did not do justice to the Promethean

character of the young Brahms; the composer was 21 when he began this work, and it reflects his *Sturm und Drang* period.

Alexis Weissenberg's attitude was rather curious. His solemnity and philosophic meditating resulted in most of his passages hardly being heard despite the conductor's attempts to hold the orchestra back. Occasional outbursts of strength and strong dynamics could not restore the impact of the music as a whole. The second movement dragged on interminably, when it should have flowed in serene beauty. Occasional wrong notes cropped up, which further detracted from the performance. This presentation of Brahms' *First Concerto* left at least one listener with misgivings and disappointment.

ISRAEL SINFONIETTA, Beersheba, Christopher Seaman conducting, with the Israel Trio (Alexander Walker, Menachem Brenner, Marcel Bergmann) (YMCA Auditorium, Jerusalem, December 17). Mendelssohn: "Fingal's Cave" Overture; Beethoven: Triple Concerto, opus 56; Elgar: String Serenade opus 20; Mozart: Symphony No. 38, K. 504 ("Prague").

THE ISRAEL Sinfonietta, Beersheba, suffers from the over-richness of musical events taking place every

GOLDA MEIR

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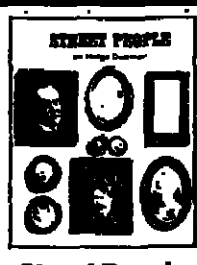
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The world-wide shipping slump, a result of contracting trade combined with a large surplus of shipping space, is now entering its ninth consecutive year. It has sunk many shipping companies and is starting to seriously affect the Israeli merchant marine as well.

No longer can drastic measures be avoided in the hope that the sea will calm immediately after the next stormy passage, the experts warn.

The Israeli merchant marine numbers 96 ships - totalling 3.09 million tons of deadweight - of which Zim, the leading shipping company, operates 64. The rest are owned by the private El-Yam company, which concentrates on grain carrying, and by 12 small private companies, mainly with one or two ships each.

Zim has been losing tens of millions of dollars for the past two years on its annual turnover of some \$700 million, and although freight charges have, after falling for years, been edging upwards again for the past six months, Zim cannot expect to emerge from the red during 1985.

Zim's management, under recently-appointed general manager Matty Morgenstern - who rose to the top slot from a start as a deck hand - has reached the conclusion that it can save the company and fleet only by effecting stringent economies and by improving efficiency.

Crew levels must be reduced, to enable ships to compete with the fleets of Western Europe. This entails reducing complements from their present average of 26.7 men including 10.3 officers per ship, to the European level of 19 to 20 men. On land, the management wants to trim 260 men (20 per cent) from its 1,300 work force.

This will not be easy. Works committee head Uri Zuckerman has stated that before the first of the 260 pink slips can be typed the management must first slash the wages and downgrade living conditions for both its staff serving overseas and for its top executives.

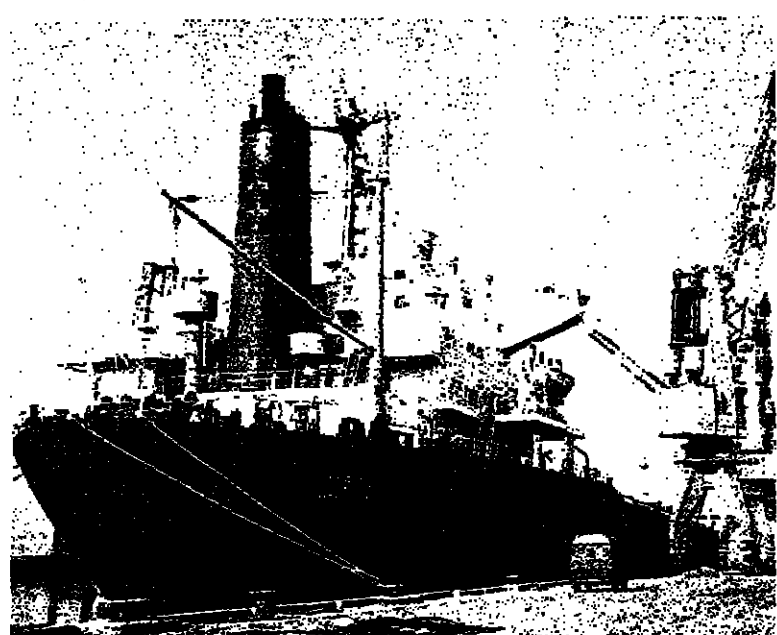
Zuckerman argues that Zim is in the red because of mismanagement and that since the employees are not to blame they are not going to pay the price.

The secretary of the Ratings' Union, Shlomo Avitan, also dismisses the idea of reducing crew levels, adding that nearly 400 ratings are already unemployed. He recommends building bigger, more modern ships, which are so capital intensive as to make crew costs marginal. This, however, is somewhat unrealistic, since the one thing the companies are unlikely to do right now is to invest the hundreds of millions of dollars needed for such ventures.

The secretary of the Marine Officers' Union, Erez Ivry, claims that the number of officers on ships has

Time to rock the boat

The Jerusalem Post's Ya'acov Friedler examines the implications of the world-wide shipping slump for Israel's merchant marine.



El-Yam's SS Minerva unloading grain at Ashdod: ready for staff cuts?

already been reduced to almost the "seven man minimum." (As mentioned above, the Israeli Shipping Research Institute counted a 10.3 officer average.)

Ivry told *The Jerusalem Post* that during the past six months 36 junior officers were dismissed with union consent out of a total of 800 officers. Most of these 800 now sail only six months a year and earn considerably less during their half year on land.

Nevertheless, the union is ready to make further reductions, particularly to eliminate the purser on every ship and to take one more officer out of the engine room, Ivry said, but only if the dismissed men are awarded compensation. Those who remain to "shoulder a bigger burden" should get a share of the savings made, he added.

He hoped that a High Court ruling, due by the end of this month, on an appeal against the Treasury's refusal to start the early retirement scheme which would enable seamen to go on pension after 30 years service at sea, would help solve part of the problem.

While the officers are already down to almost the minimum, Ivry said, there are a number of rating jobs that are totally redundant. These include the ship's carpenter; the "donkeyman" in the engine room who in the past used to "egg on" the coal shovellers; the second cook and unnecessary stewards in the catering department; and even the time-honoured bosun, a kind of sergeant major on board, "whose

job a deck officer can easily take care of together with his other duties."

While admitting that Israeli crews "really are expensive," Ivry said that the officers don't earn more than their European colleagues, "but the ratings make three times as much as their English counterparts."

In a recent study, Haim Zucker, former head of Zim's crew department and now head of the Shipowners' Association, said the high wages on Israeli ships dated back to the period when the companies bought industrial peace from the militant unions by raising pay and not arguing over complements. These days are now, happily, long gone, he added.

He said the worst overstaffing was in the catering department, with an average five to six men working per ship, more than double the European average.

Zucker found that a British ship's

crew expenses are only 60 per cent of that of those on a comparable Israeli vessel, while the Dutch ship rate is some 80 per cent. A Hongkong crew, by comparison, costs the owner only 43 per cent of a British crew.

He found, furthermore, that it costs an Israeli company \$283,000 more than a European company to man an average ship.

On the horizon, Zucker saw the stark choice of "fewer jobs, or no jobs at all."

"Unemployment in the merchant marine already totals about eight full crews and reducing complements will exacerbate the problem. There is little chance for fleet expansion and the outlook for its survival at its present size is also far from bright," Zucker stated.

He regarded "an immediate complement reduction to 20 or 21 men per ship" as vital. This can be done in a controlled manner, he said, provided those made redundant are retrained for industry or for jobs in hotel catering departments.

If the cutting is not done now, the fleet will go down with all hands, because the world today simply has too many ships for too few cargoes. Only the fittest will survive.

Significantly, even in the heavily-subsidized U.S. merchant marine, with its very strong unions, complements have been reduced from 31 to 21 men on some ships, with a saving of \$500,000 a year.

Israel's crews are more expensive, according to Zucker, for four main reasons: wage rises are not based on higher output; wages are linked to the dollar; crews are too large; and on-board work organization is inefficient.

The Officers Union this month displayed its method for fighting competition from cheaper foreign ships by boycotting an Argentinean refrigerated vessel which brought government-imported frozen meat from Argentina. The aim was to force the government to grant the contract to a more expensive Israeli firm.

Such tactics might work here and there, but in the long run the harsh laws of economics will keep only the most efficient ships afloat.

Improved relations seen with British pilots

Jerusalem Post Correspondent
LONDON. - Relations between Israel and the British Airline Pilots' Association (Balpa) have improved dramatically following last week's annual Balpa conference in Bourne-mouth, it has been learned.

Earlier this year, Balpa refused to send delegates to the conference in Israel of the international Airline Pilots' Association. Pressure to boycott the conference came from anti-Israel elements within the

movement, sources said.

But at last week's conference, the chairman of the Israel Pilots' Association, Captain Isidor Gonen, was one guest of honour and Valerie Cocks, director of the Labour Friends of Israel movement was another.

Gonen, Cocks said, "was very well received" at the conference. There has now been "an enormous swingback towards Israel among Balpa members," she added.

Real estate broker advises builders: 'Give buyers a sense of security'

By AARON SITTNER
Jerusalem Post Reporter

When it comes to buying a flat, a builder's ability to "deliver the goods" exactly as promised - and on time - may be more important than other factors in choosing a new home, such as location and price.

So says Emanuel Kogan, chairman of Maldan, the Israel Association of Real Estate Brokers. Addressing the organization's 28th annual convention yesterday at Jerusalem's Ramada Renaissance Hotel, Kogan said: "Building starts are at their lowest point on record - even below the level prevailing during the 1966/67 recession." This reflects the general retreat in which the housing industry finds itself.

"In this precarious situation, we would advise builders to adopt a new business strategy. Instead of aiming first and foremost for greater profitability through increased risk, they should aim to give potential home purchasers a feeling of security. In fact, we tell our customers the truth about the chances that this or that builder may not be able to deliver the goods as promised."

"We give first preference to non-problematic units - those ready for occupancy or still under construction but by a reliable contractor. This is more important to the

buyer, we think, than a flat's location, its price or other factors."

Sounding an optimistic note in the gloomy housing industry story, Kogan predicted that the drop in new building starts will overtake the drop in new home seekers. When this happens, flat prices will begin to rise, even if prices stand still or even retreat in other sectors, he said.

According to Kogan, despite the large amount of spendable money in people's hands, very little of it is going into real estate investment. Instead, people seem satisfied with low-return savings schemes as long as the purchasing power of their principal is preserved.

He added: "If even a small part of Israel's disposable income would come into real estate, not only would the housing industry benefit, but the investors would too."

A director of the large Anglo-Saxon real estate agency confirmed to *The Jerusalem Post* that "things are very quiet, especially in the markets serving young couples. However, there was still some life in preferred centre city locations that attract affluent buyers, he said."

On the other hand, business is "very brisk" in industrial real estate, with high-tech industrialists prepared to pay monthly rentals of \$8 to \$10 per square metre.

Egypt says Opec should maintain current oil prices

CAIRO (Reuters). - Egyptian Oil Minister Abdel Hadi Kandil was quoted yesterday as saying Opec and other producers should maintain the current price of oil in world markets.

Speaking before leaving for Geneva for an Opec ministerial meeting, he told Egypt's Middle East news agency that Opec "has achieved considerable success in stopping the slump in oil prices since its meetings last October."

Egypt is not an Opec member, but has been invited to attend the Geneva session as an observer.

At an emergency ministerial meeting in October, Opec cut its production ceiling by 1.5 million barrels a day to 16 million. And Egypt agreed to cut its exports by 30,000 barrels per day to help Opec defend its price structure. Mexico, another non-Opec producer, also agreed to cut exports.

The emergency meeting followed price cuts by non-Opec North Sea producers Britain and Norway, and a subsequent reduction by Opec member Nigeria.

But free market prices have continued to sag, with Opec ministers saying demand has dropped because Western oil firms are drawing on oil stocks in anticipation of a further price decline.

WHAT'S ON

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Jerusalem

MUSEUMS
Israel Museum Exhibitions: Vanished World: Roman Palestine, photographs; Permanent Exhibition of Miniature Rooms. The Armand Hammer Collection, five centuries of masterpieces, from the Italian Renaissance to the 20th century. The Israel Museum, for children (Tues. 5-7, Wed. 10-12). Art and Science in the Museum. Moshe Kupferman, Paintings, Works on Paper. Permanent collection of Judaica, Art and Archaeology. Rockefeller Museum: Egypt - the other side of the River - funerary objects. Ticho House, works by Anna Ticho, Hanukkah lamps, library and garden cafe.

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Tel Aviv Museum. Exhibitions: Design for Disabled Persons. Zaritsky, A. Retrospective. Art of Sardinia until the end of the 19th century. Collections of classical, 20th century art. Helmut Rubinstein Pavilion: Two years 1983/84. Israeli Art - Qualities Accumulated. Visiting Hours: Tel Aviv Museum Sun.-Thurs. 10-5. Fri. closed. Sat. 11-2. Helmut Rubinstein Pavilion: Sun.-Thurs. 10-11.5. Fri. closed. Sat. 11-2.

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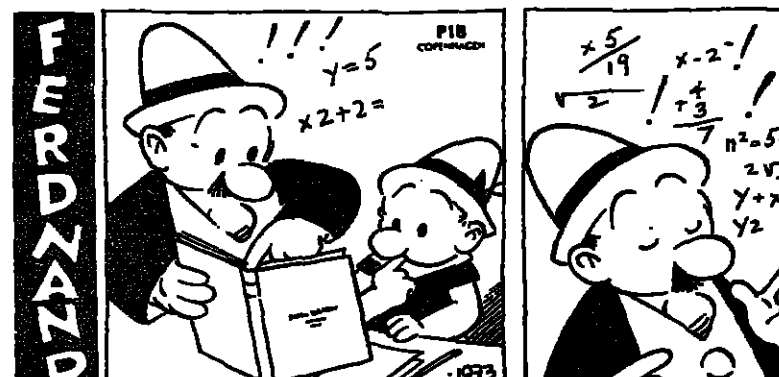
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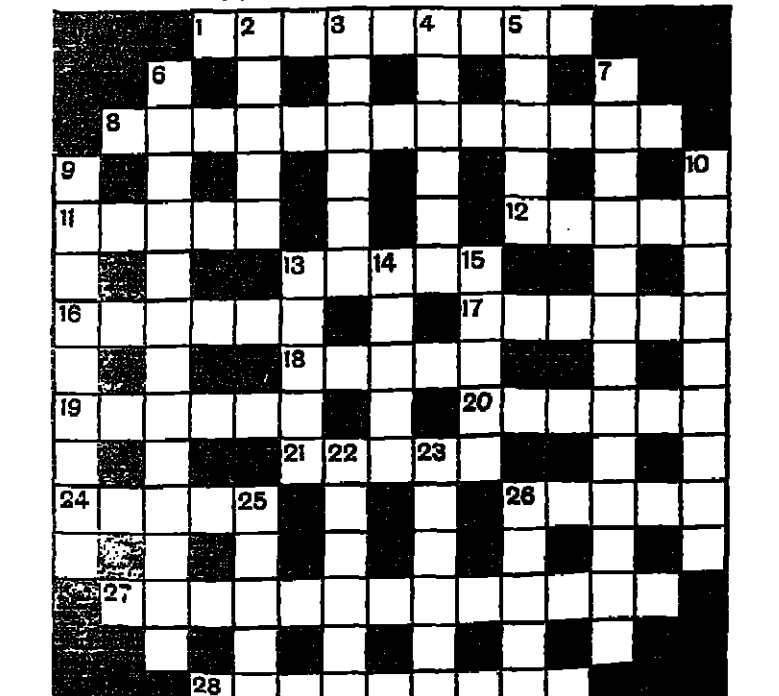
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ONE-AND-ONE CROSSWORD

ACROSS
1 Company exhibition stall shouldn't give way when taken (4, 5)
8 Golf and football manoeuvres suggesting something underhand (4-3-6)
11 Please, quietly go and disperse for the rest of the cancelling work (5)
12 A man in earlier days (5)
13 Light filters for the blind (5)
15 Struggle with blows to get where the refreshments are (6)
17 The age where one comes to a full stop (5)
18 I laze uneasily and from the sound of it do little on the stage (5)
19 Please, come to order or slip away (6)
20 Burns celebration dish, silver, breaks into reflective sigh (6)
21 I held wild Indian territory with capital (5)
24 Big stick wielded for those on roll (5)
26 People can't get out and about when they are cold and old (5)
27 Knocked out by chance, apparently it's always happening! (8, 5)
28 Announce the chamber to be reserved for a higher class of traveller (9)

DOWN
2 Perfect! The pack is mine! (5)
3 Your humble servant turned in, turned out lame (6)
4 Give a sound good mark for getting through the Entrance (6)
5 First night, very jittery (5)
6 That upsetting feeling when one goes into the red? (4, 2, 7)
7 A toff losing weight over an important matter of separation (8, 5)
9 What The Arrow meant for Robin? (9)
10 Not so hot here as there, but Daisy shed shift (5, 4)
13 A spirited horse finds way over rising river (5)
14 Prospero's sprite receives reward, we hear (5)
15 A shipwreck can be the making of a N. African cavalierman (5)
22 A decamp's stretch? (6)
23 How he laughs at a signal to work! (6)
25 Swoon without much distinction (5)
26 Leave the vehicle before goods put aboard (5)



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THE JERUSALEM POST

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No winners beyond the brink

GOVERNMENTS in this country have, historically, broken up over issues portrayed as religious, and it would be no innovation if that happened again, now that Shas has made its resignation from the cabinet final, more or less.

But the crisis in which Israel currently finds itself is without precedent, and if the national unity government were to dissolve due to the Likud pulling out in sympathy with Shas, the consequences could be grievous. In theory the prime minister, Shimon Peres, could form an alternative coalition of the Alignment and some smaller parties. But the challenge of keeping the economy from falling completely apart might appear too daunting to be met by so narrowly based a government.

Mr. Peres's only choice would then be to force a new election. But a new election, which did not even hold the promise of a radically different parliamentary lineup, is the last thing the country needs at this time.

Since both major parties seem to share this opinion, it would seem inconceivable for the Likud to decide to bolt, and for the Alignment to allow it to do so. The time has come for both parties to cease being hostages to the political ambitions of their respective religious party favorites Shas and the NRP, and, acting in concert, simply lay down the law to them.

This might not seem easy, since the Shas/NRP row is supposed to be all for the sake of Heaven. But this idle pretence will not hide the fact that the true bone of contention is all about the control of religious council budgets, which is a matter of feeding the party faithful.

It is also idle to pretend, as the vice premier, Yitzhak Shamir, has been doing since his hasty return from Venezuela on Monday, that what is involved is fidelity to the coalition agreement, or rather its betrayal by the Alignment. The negotiations over which religious party gets how much of the interior or religious affairs portfolios have been so convoluted that past promises no longer matter a whit. What matters now is that a reasonable and equitable arrangement, acceptable to both the Alignment and the Likud, should be devised, and presented to the NRP and Shas - to take it, or leave it. The electorate will not forgive either the Likud or the Alignment for being led by the nose to failure on this issue.

Loquacity vs sagacity

THE MAKING of economic policy is a serious business. There must be careful preparation by the experts, negotiations with interested parties, and then formulation by the government. At that point it is right and proper for the finance minister to go around explaining the policy that has been decided upon to the public, so as to make it acceptable despite any hardships it may entail.

Finance Minister Yitzhak Moda'i, however, has gotten into the habit of broaching in public economic policy options that are still under examination behind closed doors.

This is very strange, because Mr. Moda'i has felt it necessary to rap journalists for putting questions to him that "one must not ask a finance minister." By these clearly meant questions that it would be wrong for a finance minister to answer. Yet he is himself wont to come out with answers to questions of future policy that have not even been put to him, at least not directly.

During the past several days the finance minister has made two such unsolicited pronouncements. One raised the distinct possibility that the prices of basic goods might be raised through a cut in subsidies before the expiration of the present package deal. The other suggested that the government might soon ask the holders of bank shares to agree to spread out their redemption dates: the shares begin to fall due next October.

The harmful effect of both pronouncements is already unmistakably in evidence.

Since the package deal was launched in early November, the public has responded to government policy not only rationally but almost instantaneously. With prices frozen, people held on to their money, started comparing values and increased their savings - while marketing chains as well as smaller retailers introduced sales campaigns to boost their flagging sales.

But as soon as the public learned that prices might be raised again, they rushed to empty the supermarket shelves. At the same time IS2 billion worth of bank shares have now suddenly been dumped on the stock market, in return for cash that will, no doubt, be used to purchase foreign exchange or consumer goods.

What Mr. Moda'i intends to achieve through public discussions with himself is a mystery. If he does not intend to take action on his own, which he obviously can not, then the time to break his silence would be, for example, when he is prepared to make bank shareholders a concrete offer. But that time is not yet.

The package deal, it may be recalled, was dubbed by Mr. Moda'i "a retarded child." Perhaps it was foisted on him, in its present form, against his will. But that is no justification for talking it prematurely to death.

ECONOMY ROAD

(Continued from Page One)

per cent - something Yedid says "we can handle."

Neighborhood leaders realize that there will be no public funds for times like gym equipment at local schools. So they have started a fund-raising drive to get the money from donations from Ramot residents. Yedid feels that the community can make some capital out of adversity by such projects, which increase identification with the neighborhood.

Yedid feels that the economic crunch of the last few months isn't such a bad thing.

When an aide asks whether the centre should allow a bazaar for expensive foreign-made running shoes to be held under its auspices, he says "No, we'll wait until a local manufacturer wants to show his goods here." But although Yedid believes a bit of hard times does no

harm, he draws the line at widespread unemployment. "We wouldn't get out of the social implications of such a blow for years," he says.

A further large cut in the standard of living, which he says is preferable by far to unemployment, could have very serious effects on the community centre. "Then you'd have parents telling their children that they just can't afford all of these extras at the centre."

In Joel Snitman's hardware shop in one of the newer parts of Ramot, a woman shopping for a baking tray asked to pay at the beginning of next month. Snitman says there has not been much of an increase in requests for credit, "maybe because people are buying less anyway." He says his business, which had been steadily increasing in dollar terms until the beginning of the package deal, is now steady in shekel terms - meaning it is really decreasing.

People are more careful about buying, he says, but in the newer parts of Ramot they are not stinting on purchases of items needed in new houses, such as towel racks.

"Listen, I don't know what's happening," a new immigrant said outside the small Ramot supermarket. "Things have been so crazy ever since I came a year ago. Now, I feel that the burden is on me to get used to it. But then I look around me at native Israelis and they seem just as perplexed as I am about the future. Maybe it's just that they are used to being perplexed."

Second thoughts on subsidies

By AVI TEMKIN

IN THE DEBATE over economic policy and the transition from Package Deal I to Package Deal II, there is an almost universal call for slashing the subsidies on basic foodstuffs, fuel and electric power, whose prices were frozen when the package deal was signed.

Increasing the prices of subsidized goods requires the Histadrut's agreement, and the labour federation has been balking. Nearly everyone in the government, in academia and in the media is therefore accusing the Histadrut of jeopardizing the package deal and the economy.

The argument for demanding that the Histadrut agree to de-freezing the prices of the subsidized goods is simple: keeping these prices frozen while devaluation goes on means that the government has to increase its subsidies. Lacking the cash for that, the government must create it by printing money, or by further drawing on foreign currency reserves, or by both. And, other things being equal, this injection of cash into the economy will raise the rate of inflation and worsen the balance of payments.

This is by now accepted as an incontrovertible truth. However, a closer look at the matter, distinguishing between the short and the long run, shows that things are not quite so.

IF THE subsidies are cut and the prices of the basic foods are raised accordingly, the short run result will be greater inflation, as a result of the direct effect of these price increases on the consumer price index. In the long run, on the other hand, the cut in the subsidies would diminish the monetary injections, and since this would push demand down, the result would be a slowdown in the rate of inflation. This effect would be enhanced considerably if workers would agree to forego compensation for the immediate rise in prices caused by the cuts in subsidies.

However, even if one were to assume that this argument is valid for the Israeli economy, there remains the problem of timing. Before the package deal was signed, the economy was haunted by the spectre of hyperinflation. The economy was in imminent danger of paralysis. The

package deal has averted that danger, and it is on this point that it has scored its greatest success.

A cut in subsidies at this point in time will not only immediately push prices up; it will in all likelihood signal to consumers, workers and business firms what to expect with regard to future price movements.

It is useful to remember that the Israeli economy is dominated by monopolies and oligopolies. The pricing behaviour of such firms is characterized by cost-plus calculations. The mark-ups, however, are based not only on current costs, but also on an estimation of the expected rate of inflation in the short run. A decision to raise the prices of basic commodities, fuel and electric power will therefore cause firms to set their prices not only on the basis of a mark-up on their current cost increases, but on their expected cost increases.

Thus, in addition to the immediate push to prices and costs that will be caused by raising government-controlled prices, there will be an additional pressure on the price level caused by the desire of firms to adjust their prices to what they perceive as the government's signal of expected higher rates of inflation in the short run.

THE RESULT will be mounting pressure from firms to raise their prices above the level warranted by the immediate increase in costs. Some firms will be able to raise their prices immediately, despite the price freeze, and will do so. Others will probably cut down their supply and adjust their prices at the first opportunity.

Moreover, the pricing policies of most firms are asymmetrical with respect to inflationary expectations. They do not reduce their prices when the expected rate of inflation is lower than the current rate, which determines their current costs. But they will add to their current price adjustments a factor for expected inflation if that is higher than the current rate in production costs.

This asymmetry is very relevant to the present situation. While the large increase in subsidies caused by the price freeze does not reduce the pressure for price increases (which is

repressed during the freeze), a possible large cut in the subsidies would compound the force of such pressures as the end of the freeze approached.

Workers, too, are likely to interpret the rise in the prices of basic goods as a sign that the price freeze is coming to its end. They are therefore likely to press demands for higher wages, which will include a hedging against expected inflation. Even if the Histadrut were to agree to a waiver of compensation for price increases caused by cuts in the subsidies, individual trade unions are likely to demand wage rises on various grounds, which may be presented as unrelated to the current price hikes. Cutting the subsidies is therefore likely to cause a more than proportionate increase in wages - and this, in turn, will exert a further pressure on prices.

WHAT WILL the likely reaction be of the third partner, of consumers? They will probably also take the rise of government-controlled prices as a sign that the price freeze is coming to an end. They may react by going on a spending spree, and the situation would become more complicated if consumers decided to finance this spending spree by drawing on their savings.

If events develop along these lines, all package deal arrangements, whether of Stage I or of the expected Stage II, would come under mounting pressure. Products may disappear from the shelves, imports are likely to rise and worsen the balance of payments.

So much for the short run. But the assumption accepted as incontrovertible truth for the longer run - that there is a direct link between a cut in subsidies and a slowdown of inflation - has never been statistically tested for the Israeli economy. There exists no conclusive research on the effects of a cut in subsidies on inflation, and those professors of economics who day-in and day-out demand such cuts are simply projecting their dogmatic conclusions from a simple abstract economic model to a very complex reality, without first checking whether there is empirical support for their recommendations or whether these can be implemented.

Dry Bones



Given the almost universal system of indexation existing in Israel, it is almost impossible to say whether a cut in subsidies will lead to a reduction in the government's injection of cash into the economy, or perhaps even have the opposite effect.

AS PRICES rise in the short run as a result of reducing the subsidies, the value of tax payments from companies and the self-employed is eroded, so that as the cut in subsidies reduces government expenditure, it also reduces its revenue.

Furthermore, the government pays subsidies to exporters, and these rise with inflation. As the subsidies on basic goods go down, so do those to exports go up, and with revenue falling in real terms, the need to inject money into the economy will tend to become greater.

Another factor that is likely to result in a greater inflow of cash would come into play if consumers finance advance purchases, mainly of durables, from savings. Since most of the financial wealth is fully indexed, and therefore instantaneously compensated for inflation, this will mean that these consumers will have at their disposal sums of cash, which will not be eroded by inflation.

All this boils down to the likelihood that the reduction in government deficits and of monetary injection

tions expected from the cuts in subsidies will be much smaller than is commonly believed. It may even have no effect, or result in the opposite of what its advocates hope for.

One further aspect of the problem should be brought forward at this point. The cut in subsidies redistributes income from poor to rich, since it is the latter who hold most of the indexed wealth. Thus, as one goes up the income ladder, consumption levels are less affected by the increase in government-controlled prices, and wealth - especially financial wealth - is shielded from the government-initiated new upswing of inflation.

For all these reasons the Histadrut is perfectly right in demanding an overall economic plan for the coming months. What is needed now is a comprehensive plan that will bring the monthly inflation rate down not to 6 or 10 per cent, but to near-zero.

Only once such a stabilization of prices is achieved will it be possible to come to grips with a long-term solution for the problem of the subsidies. Such a solution must be sought in the framework of a policy based on a clear conception of what the distribution of income and wealth should be, and on a clear analysis of concrete reality, not on textbook dogma.

The writer is a member of The Jerusalem Post editorial staff.

The courage to begin

By DAVID HARTMAN

small cruse of oil without reasonable assurance that their efforts would be sufficient to complete the rededication of the Temple.

THE "MIRACLE" of Jewish spiritual survival throughout a history of wandering and oppression may best be described as our people's strength to live without guarantees of success and to focus on how to begin a process without knowledge of how it would end. It is not uncommon for people to refuse to study Tora because of their belief that they lack sufficient time and will-power to become accomplished scholars. Human initiative is undermined by the realization that since completing the task in question is not assured, there is no point in making the required effort to begin.

The Hanukkah lights encourage one to trust human beginnings and to focus one's efforts on whatever opportunities are available at the present moment. The strength to continue and to persevere grows by virtue of the courage to initiate a process by lighting the first flame. Only lamps which are lit may continue to burn beyond their anticipated life span. Only one who devotes even 15 minutes a day to learning can discover latent powers to study and concentrate. Only one who breaks the chains of moral complacency by giving a minimal amount of *tzedaka* (charity) will discover greater capacities to respond to those in need.

THE EIGHT days of Hanukkah in-

corporate the miracle of the first day, which signifies the miracle of the courage to begin to build within imperfect human situations. There were undoubtedly many people who were sceptical of the decision to light the Temple lamp with a single cruse of oil. "Why light a flame which is bound to burn out before the Temple is completely rededicated? Let the Temple remain ritually defiled until we are certain that we have sufficient oil to rededicate the menorah. Why initiate a process which we cannot complete? Wait until the conditions are ripe!" Those who went ahead and kindled the lamp ignored such "voices of reason" and availed themselves of the precious opportunities at hand. And the miracle of Hanukkah occurred.

Those who decided to proclaim the establishment of the State of Israel in the 20th century were Jews who had learnt the message of Hanukkah well. There were many "reasonable" voices that counselled cautious waiting for the right moment: "Be cautious! Wait until your army is stronger. Wait until the vast majority of world Jewry will actively support the Zionist ideal and will choose to participate in the national-political rebirth of the Jewish people." Despite detractors, a minority of the Jewish people went ahead and proclaimed the rebirth of the State of Israel.

Today few would deny that history has shown that those who had the courage to light the flame were correct.

THE SECOND focal point of Hanukkah is the Maccabean victory against the cultural and religious tyranny of Antiochus. The Maccabean books and the liturgy specific to Hanukkah highlight the Maccabean struggle against religious oppression and emphasize the victory of the few against the many, rather than the miracle of the cruse of oil.

The Maccabean victory and the miracle of the lights are not mutually exclusive themes, but indicate different emphases. The courage to oppose any political or religious ideology that threatens to undermine particular differences and thus to destroy the unique character of Jewish identity has been a dominant characteristic of Jewish history. Like the spirit of the Maccabean revolt, lighting the Hanukkah lamp is a public demonstration of Jewish particularity in defiance of an ethos that seeks to neutralize individuality and cultural diversity. We stand firm against cultural totalitarianism, which ridicules the dream of spiritual pluralism and blurs cultural differences between people. Although our belief in the universal dignity of man who was created in the image of God, must be firm and uncompromising, our attitude to cultural and

spiritual ways of life must express the values of pluralism, which safeguard diversity and individual identity.

At Hanukkah, Jews demonstrate their love for their particular tradition, be it loudly or quietly.

"Our Rabbis taught: It is incumbent to place the Hanukkah lamp by the door of one's house on the outside. If one dwells in an upper chamber, he places it at the window nearest the street. But in times of danger, it is sufficient to place it on the table in the privacy of one's home" (*Shabbat 21b*).

Today, because of the rebirth of the State of Israel, Jews can place their menorahs on the window sills of history. We need not speak among ourselves only; we may share our flame with the outside world. Judaism, for the first time in two thousand years, is visible because of the courage of those modern Maccabees who set into motion the process of rebuilding our people in its ancient homeland.

Now that the menorah has been taken off our private tables and placed by the window for all to see, we must examine the quality of the light that radiates from Jerusalem. The challenge facing Judaism today is not only whether we will survive, but also whether the light visible in the marketplace radiates a significant and compelling Jewish message.

Dr. Hartman is director of the Shalom Harman Institute in Jerusalem and a lecturer in Jewish philosophy at the Hebrew University.

"I got a Hanukkah present this year!"

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READERS LETTERS

RESETTLEMENT

To the Editor of The Jerusalem Post: Sir, - Your editorial "Wrong Address" (November 26) dealing with the problem of Dehaishe is to be welcomed in its tone and logic. Indeed, Dehaishe is not the only source of violence as an expression of Palestinian nationalism in Judea and Samaria. One could add Kalandia and Jalazoun where firebombs have been tossed at buses recently.

While supporting the idea of resettlement for the camp residents, the editorial prefers that the government of Israel take the initiative itself. Therefore, the address for protests by the Jewish residents of Judea and Samaria should be the government.

It is true that the last Likud government attempted, through the efforts of Mordechai Ben Porat, to broach on an international scale this resettlement idea. However, a vociferous protest was raised by among others, Jewish proponents of Palestinianism which, in turn, fed other groups. Prominent in this instance was the Biret Solidarity Committee. Thus, if the resettlement idea is to proceed in the best in-

FRANCOPHILES

To the Editor of The Jerusalem Post: Sir, - Your article of December 4 refers to plans by L'Alliance Francaise to open a cultural centre in Jerusalem early next year.

While this announcement certainly is to be welcomed, we would like to point out that the statement by French Ambassador Jacques Dupont that there had been no institution for the dissemination of French culture in Jerusalem in the past 14 years is not an accurate one.

Since 1972, Maison de France on the Givat Ram campus of the Hebrew University of Jerusalem has served as a bustling centre of French cultural activities. Thousands have participated in French language classes there, with more than 800 people currently enrolled. Other activities that have been enjoyed by the general public are films, lectures and symposia that are scheduled throughout the year. A lending library's French also operates in the building.

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